

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:  
(617) 951-1354  
(617) 951-0586

November 8, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunication and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02202

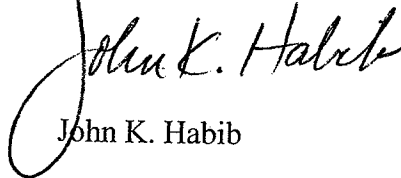
Re: D.T.E. 04-85 — Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Restructuring of Power Purchase Agreements with Northeast Energy Associates Limited Partnership

Dear Secretary Cottrell:

Enclosed please find the responses of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric (the "Companies") to discovery questions asked by the Attorney General and the Department of Telecommunications and Energy in the above-referenced proceeding, as listed on the following Discovery Log. Please note that certain documents that are responsive to these questions are confidential and are being filed under separate cover with the Attorney General and the Hearing Officer only.

Thank you for your attention to this matter.

Very truly yours,

  
John K. Habib

Enclosures

cc: Service List  
Joan Foster Evans, Hearing Officer (2)  
Colleen McConnell, Assistant Attorney General (2)

# LOG OF RESPONSES FILED

D.T.E. 04-85

November 8, 2004

AG-1-1		
AG-1-2	Filed November 3	Attachment AG-1-2 <b>CONFIDENTIAL BULK</b>
AG-1-3	Filed November 3	Attachment AG-1-3 <b>CONFIDENTIAL</b>
AG-1-4	Filed November 3	Attachment AG-1-4 (a) Attachment AG-1-4 (b) Attachment AG-1-4 (c)
AG-1-5		
AG-1-6	Filed November 3	
AG-1-7	Filed November 5	
AG-1-8	Filed November 3	
AG-1-9	Filed November 3	
AG-1-10	Filed November 3	Attachment AG-1-10 (a) <b>CONFIDENTIAL</b> Attachment AG-1-10 (b) <b>CONFIDENTIAL</b>
AG-1-11	Filed Herewith	Attachment AG1-11
AG-1-12		
AG-1-13	Filed November 5	Attachment AG-1-13 <b>CONFIDENTIAL CD-ROM</b>
AG-1-13 (REVISED)	Filed Herewith	
AG-1-14	Filed November 5	
AG-1-15	Filed November 5	
AG-1-16	Filed November 5	
AG-1-17	Filed Herewith	
AG-1-18	Filed November 5	
AG-1-19	Filed November 3	
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AG-1-21	Filed November 5	
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AG-1-23	Filed November 5	
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AG-1-30	Filed November 3	Attachment AG-1-30 <b>CONFIDENTIAL BULK</b>
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AG-2-18	Filed Herewith	
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DTE-1-14	Filed Herewith	Attachment DTE-1-14(a) <b>CONFIDENTIAL</b> Attachment DTE-1-14(b) <b>CONFIDENTIAL</b>
DTE-1-15		
DTE-1-16	Filed Herewith	
DTE-1-17	Filed Herewith	
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Information Request AG-1-11

Referring to Exhibit NSTAR-RBH-6, page 2, please provide the history from the existing contract's inception date of the actual amounts for each of these columns.

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Response

Please refer to Attachment AG-1-11 for the historical figures for the years 1995 through 2004. Please note data for years prior to 1995, February 1995 and August 1999 are unavailable.

Commonwealth 1 Contract Cost Summary

Year	Total KWh	Variable Component	Production Component	Capacity Charge	Cost Before Adjustment CTS/KW	Capacity Adjustment	Other Adjustments	Total Cost
1991								
1992								
1993								
1994								
1995	199,909,079	\$4.50	\$0.39	\$2.00	\$6.89	\$225,959	\$0	\$13,557,625
1996	211,802,818	\$4.53	\$0.37	\$2.00	\$6.89	\$238,317	\$0	\$14,365,173
1997	222,276,421	\$4.50	\$0.38	\$2.00	\$6.88	\$251,498	\$0	\$15,049,229
1998	205,842,592	\$4.50	\$0.40	\$2.00	\$6.90	\$265,520	\$0	\$13,937,619
1999	198,811,354	\$4.54	\$0.40	\$2.00	\$6.94	\$280,728	\$0	\$13,526,251
2000	218,995,067	\$4.76	\$0.40	\$2.00	\$7.16	\$296,824	\$0	\$15,372,417
2001	224,816,605	\$4.92	\$0.40	\$2.00	\$7.32	\$314,028	\$0	\$16,139,553
2002	221,515,571	\$4.31	\$0.40	\$2.00	\$6.71	\$332,413	\$0	\$14,529,934
2003	224,679,063	\$5.43	\$0.40	\$2.00	\$7.83	\$352,063	-\$55,249	\$17,187,825
2004	153,234,958	\$5.25	\$0.40	\$2.00	\$7.65	\$279,797	\$31,685	\$11,475,783

Note: Cost data through September 2004

Information Request AG-1-13

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Total KWh," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the KWh amounts shown for each year along with citations to the power agreement where applicable.

Revised Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), which is the electronic version of the spreadsheet that contains Exhibit NSTAR-RBH-6 and all of the supporting workpapers, calculations, formulas, assumptions and documentation. For the calculation of the Total KWH, please refer to worksheet "NEA 1 AN", column C, rows 12 through 54, as well as worksheet "NEA 1" cell F7. Also please refer to Exhibit NSTAR-COM-GOL-1, the Power Purchase Agreement dated November 26, 1986, Article I, Paragraph (a) (Petition, Appendix A, Bates page 0306<sup>1</sup>) the First Amendment to the Agreement, dated August 15, 1988, Section Two (Bates page 0329) and the Settlement Agreement dated July 9, 1993, (Bates pages 0339 through 0346).

The capacity factors used for each contract were based on the most recent full year of data available when the model was developed. Specifically, the estimated capacity factors used are:

Contract	Capacity Factor	Cell reference/Sheet
NEA A	95.31%	C6, NEA A
NEA B	94.72%	C7 NEA B
NEA 1	96.23%	C7, NEA 1
NEA 2	96.23%	B7, NEA 2

For reasons discussed below, the assumed capacity factors are not the same across the four NEA contracts.

For NEA A, there are two primary contract attributes which affect the calculated capacity factor. The contract requires Boston Edison to purchase a percentage of the actual output, See Second Amendment to the NEA A Power Purchase Agreement Bates number 0111. The assumed capacity factor is based on a fixed, seasonally differentiated, capacity amount. Consequently, months during which ambient conditions enable the unit to produce energy in excess of the assumed capacity and the unit may

<sup>1</sup> Citations to "Bates page" numbers in this response refer to the Appendix A of the Petition.



produce a calculated capacity factor in excess of 100 percent. NEA A also provides the ability to "refuse" energy for up to 200 hours per year (Article 3, Paragraph (c), Bates page 0071). Boston Edison generally exercises this right in November and December of each year. Finally, NEA A provides for a 0.02889 percent adjustment for losses (Bates page 0141).

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NEA B has a hard cap of 92 MW in the winter and 68 MW in the summer (Article 3 (b), Bates 0211). The unit output was adjusted to reflect the effect of these seasonal caps. Further, the percentage of assumed total output represented by the hard cap differs by season based on the assumed seasonal output (E.g.  $92/328.6$  is approximately 28 percent of estimated winter capability and  $68/265.4$  is 25.62 percent of estimated summer capability). The other contracts take a fixed percentage of actual output (subject to adjustment for losses and refused energy). Accordingly, for NEA B, the capacity factor based on the capped output, is not subject to loss adjustments (as is NEA A) and the impact of the fixed denominator (based on assumed capacity) varies by season because of the differing percentage of output represented by the capped capacity.

The NEA 1 and NEA 2 capacity factors reflect contractually mandated reductions of 1% (see Article 3 (b) in each contract, Bates 0308 and 0389 respectively) and vary by month, also at times exceeding 100 percent for the reasons explained above, i.e., the actual output under the contract is measured against the estimated output at the specified percentage of a fixed projected plant capability. Fixed losses under the contract are already deducted from the reported invoiced kWh used to calculate plant capacity factor.

Please note, CEA has updated footnote number one on page two. The previous capacity factor shown in the footnote was incorrect.

Information Request AG-1-17

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Cost Before Adjustment CTS/KW," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Cost Before Adjustment CTS/KW amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), worksheet "NEA 1", column G, rows 28 through 70. This column represents the total of the Variable Component, the Production Component and the Fixed Capacity. The assumptions behind these components were described in the responses to Information Request AG-1-14, Information Request AG-1-15 and Information Request AG-1-16, respectively.

Information Request AG-1-20

Referring to Exhibit NSTAR-RBH-6, page 3, Column "Total KWh," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the KWh amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), which is the electronic version of the spreadsheet that contains Exhibit NSTAR-RBH-6 and all of the supporting workpapers, calculations, formulas, assumptions and documentation. For the calculation of the Total KWH, please refer to worksheet "NEA 2 AN", column C, rows 12 through 54, as well as worksheet "NEA 2" cell F7. Also please refer to the Power Purchase Agreement dated August 15, 1988, Article I, Section (a) (Petition, Appendix A, Bates page 0387<sup>1</sup>).

The capacity factors used for each contract were based on the most recent full year of data available when the model was developed. Specifically, the estimated capacity factors used are:

Contract	Capacity Factor	Cell reference/Sheet
NEA A	95.31%	C6, NEA A
NEA B	94.72%	C7 NEA B
NEA 1	96.23%	C7, NEA 1
NEA 2	96.23%	B7, NEA 2

For reasons discussed below, the assumed capacity factors are not the same across the four NEA contracts.

For NEA A, there are two primary contract attributes which affect the calculated capacity factor. The contract requires Boston Edison to purchase a percentage of the actual output, See Second Amendment to the NEA A Power Purchase Agreement (Bates page 0111. The assumed capacity factor is based on a fixed, seasonally differentiated, capacity amount. Consequently, months during which ambient conditions enable the unit to produce energy in excess of the assumed capacity and the unit may produce a calculated capacity factor in excess of 100 percent. NEA A also provides the ability to "refuse" energy for up to 200 hours per year (Article 3, Paragraph (c), Bates page 0071).

<sup>1</sup> Citations to "Bates page" numbers in this response refer to the Appendix A of the Petition.

Boston Edison generally exercises this right in November and December of each year. Finally, NEA A provides for a 0.02889 percent adjustment for losses (Bates page 0141).

NEA B has a hard cap of 92 MW in the winter and 68 MW in the summer (Article 3, Paragraph (b), Bates page 0211). The unit output was adjusted to reflect the effect of these seasonal caps. Further, the percentage of assumed total output represented by the hard cap differs by season based on the assumed seasonal output (e.g.,  $92/328.6$  is approximately 28 percent of estimated winter capability and  $68/265.4$  is 25.62 percent of estimated summer capability). The other contracts take a fixed percentage of actual output (subject to adjustment for losses and refused energy). Accordingly, for NEA B, the capacity factor based on the capped output, is not subject to loss adjustments (as is NEA A) and the impact of the fixed denominator (based on assumed capacity) varies by season because of the differing percentage of output represented by the capped capacity.

The NEA 1 and NEA 2 capacity factors reflect contractually mandated reductions of 1 percent (see Article 3, Paragraph (b) in each contract, Bates pages 0308 and 0389, respectively) and vary by month, also at times exceeding 100 percent for the reasons explained above, i.e., the actual output under the contract is measured against the estimated output at the specified percentage of a fixed projected plant capability. Fixed losses under the contract are already deducted from the reported invoiced kWh used to calculate plant capacity factor.

Please note, CEA has updated footnote number one on page three. The previous capacity factor shown in the footnote was incorrect.

Information Request AG-1-22

Referring to Exhibit NSTAR-RBH-6, page 3, Column "Cost Before Adjustment," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Cost Before Adjustment amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), worksheet "NEA 2", column I, rows 20 through 62. This column represents the total cost of the contract before the Capability Adjustment is subtracted.

Information Request AG-1-24

Referring to Exhibit NSTAR-RBH-6, page 4, Column "Total KWh," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the KWh amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), which is the electronic version of the spreadsheet that contains Exhibit NSTAR-RBH-6 and all of the supporting workpapers, calculations, formulas, assumptions and documentation. For the calculation of the Total KWH, please refer to worksheet "NEA A AN", column C, rows 12 through 54, as well as worksheet "NEA A" cell G6. Also please refer to Appendix A of the Petition, the Second Amendment to the Power Purchase Agreement dated June 21, 1989, Paragraph III (Bates page 0111<sup>1</sup>), Paragraph V and VI (Bates page 0112) and Paragraph VII (Bates page 0113).

The capacity factors used for each contract were based on the most recent full year of data available when the model was developed. Specifically, the estimated capacity factors used are:

Contract	Capacity Factor	Cell reference/Sheet
NEA A	95.31%	C6, NEA A
NEA B	94.72%	C7 NEA B
NEA 1	96.23%	C7, NEA 1
NEA 2	96.23%	B7, NEA 2

For reasons discussed below, the assumed capacity factors are not the same across the four NEA contracts.

For NEA A, there are two primary contract attributes which affect the calculated capacity factor. The contract requires Boston Edison to purchase a percentage of the actual output, See Second Amendment to the NEA A Power Purchase Agreement (Bates page 0111. The assumed capacity factor is based on a fixed, seasonally differentiated, capacity amount. Consequently, months during which ambient conditions enable the unit to produce energy in excess of the assumed capacity and the unit may produce a calculated capacity factor in excess of 100 percent. NEA A also provides the ability to

<sup>1</sup> Citations to "Bates page" numbers in this response refer to the Appendix A of the Petition.

“refuse” energy for up to 200 hours per year (Article 3, Paragraph (c), Bates page 0071). Boston Edison generally exercises this right in November and December of each year. Finally, NEA A provides for a 0.02889 percent adjustment for losses (Bates page 0141).

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NEA B has a hard cap of 92 MW in the winter and 68 MW in the summer (Article 3, Paragraph (b), Bates page 0211). The unit output was adjusted to reflect the effect of these seasonal caps. Further, the percentage of assumed total output represented by the hard cap differs by season based on the assumed seasonal output (e.g.,  $92/328.6$  is approximately 28 percent of estimated winter capability and  $68/265.4$  is 25.62 percent of estimated summer capability). The other contracts take a fixed percentage of actual output (subject to adjustment for losses and refused energy). Accordingly, for NEA B, the capacity factor based on the capped output, is not subject to loss adjustments (as is NEA A) and the impact of the fixed denominator (based on assumed capacity) varies by season because of the differing percentage of output represented by the capped capacity.

The NEA 1 and NEA 2 capacity factors reflect contractually mandated reductions of 1 percent (see Article 3, Paragraph (b) in each contract, Bates pages 0308 and 0389, respectively) and vary by month, also at times exceeding 100 percent for the reasons explained above, i.e., the actual output under the contract is measured against the estimated output at the specified percentage of a fixed projected plant capability. Fixed losses under the contract are already deducted from the reported invoiced kWh used to calculate plant capacity factor.

Please note, CEA has updated footnote number one on page four. The previous capacity factor shown in the footnote was incorrect, although the appropriate capacity factor was applied in the calculation.

Information Request AG-1-25

Referring to Exhibit NSTAR-RBH-6, page 4, Column "Total Fixed Rate," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Total Fixed Rate amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), worksheet "NEA A", column C, rows 27 through 69. Also, the calculation of the Total Fixed Rate is discussed in Exhibit NSTAR-COM-GOL-1, Bates pages 117-119, the Second Amendment to the Power Purchase Agreement between Boston Edison and Northeast Energy Associates Ltd., dated June 21, 1989, Article Nine.

Article 9 states that the price shall be the greater of 6.5 cents per kilowatt hour or the sum of 1.0406 cents per kilowatt hour plus a percentage ranging from 75 percent to 90 percent of the Qualifying Facility Power Purchase Rate ("QFPPR").

The QFPPR is forecast to be less than 6 cents for the entire period; thus the 6.5 cents per kilowatt hour is always higher than the alternative. Using the QFPPR rate of 6 cents with the 90 percent factor gives a rate of 5.4 cents. Adding the 1.0406 cents to this gives a rate of 6.4406, which means that the rate using the QFPPF will be lower than the 6.5 cents rate for the remaining contract term.



Information Request AG-1-35

Referring to Exhibit NSTAR-RBH, pages 1 through 4, please provide copies of all generation asset financial valuations done by Mr. Hevert and / or the members of Concentric Energy Advisors, Inc. Please also provide copies of all testimony associated with those valuations.

Response

NSTAR Electric objects to this question because the request is overbroad, unduly burdensome, requests information that is not relevant to this proceeding and requests disclosure of confidential information that is privileged or proprietary to entities that are not parties to this case or in any way connected to this case. Mr. Hevert and members of CEA have advised numerous clients relating to valuing generation assets and it would be unduly burdensome for it to search all of its files to locate responsive documents, research confidentiality requirements and contact present and former clients to notify them that such confidential and proprietary information has been requested. Moreover, some of the material has been produced at the request of counsel and may be covered by the attorney-client privilege. In any event, the information sought has no relevance to this proceeding since it would involve other generation assets at other times. Whatever possible relevance there could be would be significantly outweighed by (1) the burden and cost that would need to be expended to locate the material and coordinate with other clients and (2) the potential harm that would occur if the confidential and proprietary materials were disclosed.

Notwithstanding this objection, Attachment AG-1-35 **BULK** is the testimony and supporting valuations prepared by Mr. Hevert relating to Docket No. EO 03020091, Atlantic City Electric Value of Fossil Generation, and the Verified Petition of Niagara Mohawk Power Corporation. Also included in Attachment AG-1-35 is the direct and rebuttal testimony of John J. Reed in Cause No. 41746 on behalf of Northern Indiana Public Service Company relating to the fair market valuation of generation assets. This information was also provided to the Attorney General and the Department in hard copy as Exhibit AG-2-1, Attachment AG-2-1 **BULK** in D.T.E. 04-68, in Exhibit AG-1-36, Attachment AG-1-36 in D.T.E. 04-61 and in response to Information Request AG-1-25, Attachment AG-1-25 in D.T.E. 04-78. Because of the voluminous nature of the attachment, the Company is providing the documents in this proceeding on CD-ROM only.

Information Request AG-1-39

Please provide copies of the monthly invoices for the last 24 months associated with the NEA contracts along with all associated calculations and supporting documentation.

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Response

Please see Attachment AG-1-39 **BULK** for the monthly invoices and detail for the last 24 months associated with the NEA contracts.

Information Request AG-1-41

Please provide any updates or corrections to all of the Company's exhibits in its original filing, including the witnesses' prefiled testimony, as the Company reviews its original filings for any errors as directed by the hearing officer in D.T.E. 04-61. Please provide detailed explanations for any errors the Company corrects or any updates the Company makes to these exhibits.

Response

There are no corrections to be made to the original filing at this time.

Information Request AG-2-2

Please provide working spreadsheet models supporting Mr. Lubbock's exhibits.

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Response

**CONFIDENTIAL MATERIALS ATTACHED**

The following requested electronic files are provided on the attached **CONFIDENTIAL CD-ROM**:

04-85 Exh NSTAR-BEC-GOL-01  
04-85 Exh NSTAR-BEC-GOL-02  
04-85 Exh NSTAR-BEC-GOL-03  
04-85 Exh NSTAR-BEC-GOL-04

04-85 Exh NSTAR-COM-GOL-01  
04-85 Exh NSTAR-COM-GOL-02  
04-85 Exh NSTAR-COM-GOL-03  
04-85 Exh NSTAR-COM-GOL-04

04-85 Exh NSTAR-GOL-02  
04-85 Exh NSTAR-GOL-03  
04-85 Exh NSTAR-GOL-04.

NSTAR Electric  
Department of Telecommunications and Energy  
D.T.E. 04-85  
Information Request: **AG-2-6**  
November 8, 2004  
Person Responsible: Geoffrey O. Lubbock  
Page 1 of 1

Information Request AG-2-6

Please provide the economic analysis supporting the original selection of NEA to provide service to Boston Edison that led to the original NEA-A contract.

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Response

The above analysis is not available.

NSTAR Electric  
Department of Telecommunications and Energy  
D.T.E. 04-85  
Information Request: **AG-2-9**  
November 8, 2004  
Person Responsible: Geoffrey O. Lubbock  
Page 1 of 1

Information Request AG-2-9

Please provide the economic analysis supporting the original selection of NEA to provide service to Commonwealth Electric that led to the original NEA-2 contract.

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Response

Attachment AG-2-9, which is the original filing Commonwealth Electric Company made with the Department, includes the economic analysis on pages 1-2 and 27-72.

# COM Electric

NEH 2 - Commonwealth  
D.F.E. 04-98  
Attachment AG-2-9  
Page 1 of 72  
file: NEA

Commonwealth Electric Company  
Post Office Box 9150  
Cambridge, Massachusetts 02142-9150  
Telephone (617) 225-4000

September 19, 1988

Department of Public Utilities  
100 Cambridge Street  
Boston, MA 02202

Attention: Catherine Morris  
Electric Power Division

Re: Power Sale Agreement with Northeast Energy Associates, Ltd.

Dear Ms. Morris:

Commonwealth Electric Company ("Commonwealth") submits herewith for filing a Power Sale Agreement ("Agreement") dated August 15, 1988 by and between itself and Northeast Energy Associates, Ltd. ("Northeast"). The Agreement relates to a proposed cogeneration facility to be constructed at a site in Bellingham, Massachusetts (the "Site"). Northeast plans to construct, own and operate an electric cogeneration facility utilizing two gas turbines, two heat recovery steam generators, and one steam turbine, to be capable of generating approximately 300 MW of electricity (the "Unit"). The Agreement filed herewith provides the terms and conditions pursuant to which Commonwealth will purchase and pay for and Northeast will sell and deliver a 21 MW entitlement to the electric power to be produced by the Unit. The Unit is a qualifying facility within the meaning of the Department's regulations (220 CMR 8.00 et. seq.).

Commonwealth and Northeast are also parties to an earlier Power Sale Agreement ("First Agreement") for the purchase and sale of power from the same Unit. The First Agreement, dated November 26, 1986 and filed with the Department on December 5, 1986 became effective on February 2, 1987 pursuant to the Department's regulations (220 CMR 8.03(2)(a)). An Amendment to the First Agreement dated August 15, 1988 was filed with the Department on August 24, 1988. The First Agreement, as amended, provides the terms and conditions pursuant to which Commonwealth will purchase and pay for and Northeast will sell and deliver a 25 MW entitlement to the electric power to be produced by the Unit.

The Department has approved, in addition to the First Agreement, power sale agreements between Northeast and Boston Edison Company ("BEC") (as amended) and between Northeast and Montaup Electric Company ("MEC"), dated April 1, 1986 and October 17, 1986, respectively. Further, Northeast and BEC have executed a power purchase agreement, dated January 28, 1988, through BEC's Request for Proposal process pursuant to which Northeast will supply to BEC an additional 84 MW of power to be produced by the Unit.

Pursuant to the Agreement, Commonwealth will purchase its 21 MW entitlement to the capacity and associated energy produced by the Unit during the twenty-five year term of the Agreement according to a fixed price schedule as defined at Appendix B of the Agreement. Northeast first offered this fixed pricing arrangement to BEC in May 1987 as an element of Northeast's bid in response to BEC's Request for Proposals. Shortly thereafter, Northeast offered the same fixed pricing arrangement to Commonwealth and MEC, the other original project purchasers.

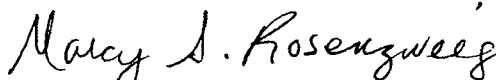
Commonwealth has evaluated the fixed pricing provision in Northeast's offer against its avoided costs of capacity and energy. The supply and demand plan used in developing such avoided cost rates is discussed in Standard Information Requirement 2. In general, the avoided costs have been determined pursuant to a supply plan in which the Company's "RFP supply block" of 109 MW has already been filled. As a result, the avoided costs used in the present analysis relate to a second decrement; that is, the next block of avoidable capacity and energy after the 109 MW supply block has been filled.

The ratepayers have a strong prospect of realizing significant benefits over the term of the Agreement. Commonwealth has a clear and present need for the electric capacity and energy to be produced by the Unit in order to serve its ratepayers. The Agreement is expected to provide such capacity and energy at prices lower than Commonwealth's avoided costs thereof and with reasonable assurance of performance by Northeast over the anticipated term of the Agreement.

In an effort to aid the Department in evaluating this project, Commonwealth encloses the Standard Information and Filing Format as requested by the Department under cover of a letter dated December 21, 1987. The Company's evaluation of the net economic benefits of the Agreement is based on a comparison between its payment stream under the Agreement versus the Company's avoided costs, as discussed above. As can be seen from the attached Schedule 2 there will be a net cumulative present value benefit of \$10,570,875 under the base case scenario.

Commonwealth will be pleased to provide such additional information as the Department may request concerning this matter.

Very truly yours,



Marcy S. Rosenzweig  
Supervisor - Rate Regulation

MSR:kag  
Enclosure

cc: Donna Sorgi, Esq.  
Department of the Attorney General

Mary Beth Gentleman, Esq.  
Executive Office of Energy Resources



POWER SALE AGREEMENT

AGREEMENT entered into this 15th day of August, 1988, by and between Commonwealth Electric Company, a Massachusetts corporation with offices located at 2421 Cranberry Highway, Wareham, Massachusetts ("Company") and Northeast Energy Associates, a Limited Partnership, a Massachusetts limited partnership with its principal place of business at Margin Street, Cohasset, Massachusetts ("Seller").

The Seller plans to construct, own and operate an electric cogeneration facility utilizing two gas turbines, two heat recovery steam generators, and one steam turbine, to be capable of generating approximately 300,000 kilowatts of electricity (the "Unit"), at a site owned by the Seller in Bellingham, Massachusetts, more particularly described in Appendix A attached hereto (the "Site"). The Seller wishes to sell and deliver and the Company wishes to purchase and take delivery of a 21,000 kilowatt entitlement to the Unit, all pursuant to the terms and conditions as set forth in this Agreement.

THEREFORE, the parties, each in consideration of the agreements of the other, hereby agree as follows:

ARTICLE I. Sale of Power.

(a) The Company's Entitlement shall be

$$\frac{21,000 \text{ kilowatts}}{\text{Net Electrical Capability}} \times 100\% \text{ of the Capacity}$$

and Associated Energy. The Seller may refrain from selling and delivering such electric energy as it may need from time to time to satisfy Unit requirements. For the purpose of this Paragraph (a) of Article I, Capacity and Associated Energy shall mean the available capacity and hourly generation of the Facility, and Net Electrical Capability shall have the meaning ascribed thereto in Article IV, Paragraph (a).

(b) The Unit shall be staffed, operated and maintained in a manner consistent with the standards applicable to generating facilities owned and operated by participants in the New England Power Pool ("NEPOOL"), as such standards may be in effect from time to time during the Term of this Agreement. The Seller also agrees to make the Unit available for NEPOOL dispatch in accordance with the provisions of Section 12.2 of

the NEPOOL Agreement dated September 1, 1971 as amended ("NEPOOL Agreement"). It is understood by the parties to this Agreement that Seller's agreement to make the Unit available for NEPOOL dispatch is not intended to limit the Company's obligation to purchase capacity and the related energy produced by the Unit pursuant to the several provisions of this Agreement.

- (c) In addition to the foregoing, the Seller shall undergo upon the request of the Company periodic capability audits following procedures established pursuant to the terms of Section 8.13 of the NEPOOL Agreement. In the event that the Unit demonstrates a Capability (as defined at Section 15.6 of the NEPOOL Agreement) that is less than the "Qualified Capacity" of such Unit (the difference constituting a "Capacity Deficiency"), the Company may assess the Seller an offset charge equal to the Capability Responsibility Adjustment Charge established from time to time by NEPOOL pursuant to the provisions of Section 9.4 of the NEPOOL Agreement multiplied by the Company's percentage share of such Capacity Deficiency. The Qualified Capacity of the Unit shall be determined annually and shall equal the greater of (i) the winter period Net Capability of the Unit (as defined in Section 15.6 of the NEPOOL Agreement) as determined by a capability audit during each winter period following the In-Service Date and (ii) 300,000 Kilowatts.
- (d) During a reasonable period of time prior to the In-Service Date (hereinafter defined) ("Testing Period"), the Unit may generate some electric energy ("Test Power"). The Company agrees to take and pay for any Test Power offered for sale and delivered to it by the Seller during the Testing Period, subject to the following conditions: (i) the tests conducted during the Testing Period shall be in accordance with standard utility practice, (ii) the administrative committee established pursuant to this Agreement shall be kept informed of operations during the Test Period, and (iii) the Company shall pay for any Test Power monthly at a price determined pursuant to the Company's generally available Power Purchase Rate Schedule (M.D.P.U. No. 133), or the generally available replacement therefor.

ARTICLE II. Effective Date and Term.

- (a) This Agreement shall become effective upon the date of receipt of acceptable MDPU approval as described in Article VII(a); provided, however, that the Company's obligation to purchase electric capacity and related energy (other than

pursuant to Section I(d)) shall not commence until the day following the first five (5) consecutive days during which the Unit has delivered electric energy to the Company at full power ("In-Service Date"). Unless sooner terminated in accordance with any applicable provision hereof, this Agreement shall remain in full force and effect until the later of the twenty-fifth anniversary of the In-Service Date or December 31, 2014.

- (b) The Seller shall use due diligence to (i) obtain all necessary permits and licenses to build and operate the Unit, ~~secure transmission services necessary to deliver power~~ hereunder and commence construction of the Unit and (ii) achieve the In-Service Date, as quickly as is reasonably possible. Notwithstanding the foregoing, if, (i) all necessary permits and/or licenses to build and operate the facility have not been obtained, transmission services necessary to deliver power hereunder have not been secured, or construction of the Unit has not commenced by January 1, 1989, or (ii) in the reasonable judgment of either party exercised not sooner than twenty-four (24) months following the date first above-written, the In-Service Date is likely to occur after January 1, 1992, either party may terminate this Agreement upon sixty (60) days' written notice to the other. Upon such termination, neither party shall have any liability to the other except such liabilities, if any, which shall have been incurred hereunder prior to such termination. In such circumstances this Agreement shall remain in effect following its termination to the extent necessary to permit any such liabilities to be extinguished.

### ARTICLE III. Purchase Price.

- (a) From and after the In-Service Date the Company shall pay Seller each month in accordance with the provisions of Article VI an amount equal to the product of the Total Purchase Rate (as determined pursuant to Appendix B hereto and rounded to the nearest one-hundredth of a cent) and the Delivered Energy for the prior month (the "Billing Month").
- (b) The Delivered Energy for each Billing Month shall equal the product of (i) 0.99 and (ii) the Company's portion of the kilowatthours metered during the Billing Month pursuant to Article V minus the Non-Pool transmission facility losses (in kwh) as may be applicable.

ARTICLE IV. Delivery by Seller.

- (a) Seller shall exert all reasonable efforts consistent with good utility practice to cause the Unit to operate and produce electricity at or near its Net Electrical Capability (as defined below) on a continuous 24-hour basis for the full term of this Agreement. If despite such efforts the Unit in any period is operating below its Net Electrical Capability the Company's entitlement to the Unit shall be reduced proportionately to the Company and any other purchaser or purchasers of capacity and related energy produced by the Unit. As used herein, the term "Net Electrical Capability" shall mean the sum of the nameplate rating of the Unit generators, as designated by the manufacturer thereof and expressed in megawatts, less allowance for station service, at which the Unit is designed to operate continuously in a reasonable and prudent manner under International Standard Organization Conditions (as defined below) in accordance with good utility practice. As used herein the term "International Standard Organization Conditions" shall mean a temperature of 59 degrees Fahrenheit and an atmospheric pressure of 29.92 inches of mercury absolute (i.e., sea level). Seller anticipates making steam sales of up to 100,000 pounds per hour of 200 psig saturated steam from the Unit, and shall not exceed such amount if, in the judgment of the Company, such increased steam sales would adversely effect the Net Electrical Capability of the Unit.
- (b) Electricity generated by the Seller at the Unit shall be delivered to the Company at the 345,000 volt bus in Canal Electric Company Switchyard in Sandwich, Massachusetts (the "Delivery Point") in the form of three phase, sixty hertz, alternating current at approximately 345,000 volts nominal.
- (c) In the event that Seller is unable to obtain adequate transmission services for delivery of power hereunder ("Transmission Services"), the Company may enter into such agreements with suppliers of transmission services as may be necessary to effect such delivery, such agreements to be in a form acceptable to the Seller. Seller and Company agree that such provision of Transmission Services is to be solely at Seller's risk and expense and that the Company will enter agreements therefor solely as an accommodation to Seller. It is the understanding of both parties that the Company is not to stand any financial risk whatsoever by means of its contracting with a supplier of Transmission Services, and Seller hereby agrees to indemnify and hold Company harmless for any liability that may be incurred by Company by reason

of its entering into any agreement for Transmission Services. Seller agrees to obtain and to continually maintain in effect insurance coverage, bond, surety or other vehicle or instrument in form, substance and amount satisfactory to the Company and which shall be at all times during the term of this Agreement adequate to reimburse the Company in full for the charges for twenty-four months of Transmission Services pursuant to any agreement therefore entered into pursuant to this Agreement. The Company shall be the specified sole beneficiary under the insurance coverage, bond, surety or other vehicle or instrument and evidence of the effectiveness thereof must be filed with the Company at all times during the term of this Agreement. Notwithstanding the foregoing, should a generally-available rate schedule (or any other means) pursuant to which Seller may contract directly for Transmission Services become available, Seller may, at its option, secure or the Company may, at its option, require Seller to secure, Transmission Services directly from the supplier thereof.

- (d) The Seller may from time to time withdraw the Unit from service and cease to supply electric energy to the Company as necessary to perform scheduled or unscheduled maintenance or repair upon the Unit. The Seller shall comply with the provisions of NEPOOL Operating Procedure No. 5 as in effect from time to time when planning any scheduled maintenance or repair upon the Unit. The Seller shall give the Company such notice as may be practicable in the circumstances when withdrawing the Unit from service for unscheduled maintenance or repair.

#### ARTICLE V. Meters and Metering.

- (a) The Company shall review and approve the metering installations required to record the quantities of electricity purchased from the Seller. Such metering equipment will be capable, inter alia, of providing data required to determine kilowatthours per hour purchased during each hour of the month as well as total kilowatthours purchased each month under the terms of this Agreement. Seller shall install, own, operate and maintain such metering equipment, which equipment shall be located at Seller's high voltage bus (or buses). If, for any reason, it is impractical to install meters at such bus (or buses), appropriate adjustments shall be made to reflect the actual amount of electric energy which would have been recorded by meters located at such bus (or buses).
- (b) Seller shall maintain all metering equipment installed pursuant hereto accurate by regular testing and calibration

in comparison to recognized standards. The metering equipment shall be sealed, and Seller will comply with any reasonable request of the Company with regard to the presence of Company's representative when such seals are to be broken or when the meters are to be inspected, tested or adjusted. The Company may request, at any time, a test of the accuracy of any metering equipment installed pursuant hereto and shall bear the costs thereof in the event that said requests are made more frequently than once in each twelve months. The results of all meter calibrations or tests, whether or not performed at the Company's request, shall be open to examination by the Company at all reasonable times.

- (c) Any meter tested and found to register less than or equal to one half of one percent (0.5%) above or below the recognized comparative standard shall be considered correct and accurate. If the metering fails to operate or, as a result of such tests, the metering equipment is found to be defective or inaccurate, the Seller shall restore it to a condition of accuracy or replace it. In such event, adjustment shall be made by the Company correcting all measurements made by the defective or inaccurate meter either (i) for the actual period during which inaccurate measurements were made, if determinable to the mutual satisfaction of the Company and Seller or (ii) if such period is not determinable, for a period equal to one-half of the time elapsed since the last prior test, but in no event greater than twelve months.
- (d) Other provisions of this Article V notwithstanding, the Company may elect to install its own metering equipment in supplement to the Seller's metering equipment. Should the Company so elect and should any metering equipment installed by the Seller fail to register the amount of electric energy delivered to the Company during any period of time, the Company's metering equipment shall be used to determine the amount of capacity and related energy so delivered in lieu of the Company's estimates thereof. If the Company wishes its metering equipment to be so used, the Company agrees to operate, maintain and read such equipment according to the standards established by this Article V. The Seller agrees, upon request of the Company, to provide a suitable location at the Unit for installation of the Company's meters at no cost to the Company.
- (e) Upon written request of the Company, Seller shall install and bear the cost of such telemetering equipment and data circuits as the Company may reasonably require for the

transmission of various metered values to its operations center. The design of and equipment specifications for such telemetering equipment and data circuits shall be approved by the Company prior to installation thereof by Seller.

ARTICLE VI. Billing and Payment.

- (a) The Company shall render monthly statements within ten (10) days following the receipt by the Company of all actual metered values for each month detailing the purchases of electricity hereunder during such month, with such statements based upon metered amounts determined pursuant to Article V adjusted for transmission losses as appropriate. The monthly statements shall also detail the purchases of capacity hereunder. Any amount payable hereunder not paid within thirty (30) days from the date of receipt by the Company of all actual metered values for the month shall be subject to a late payment charge at the annual rate of two (2) percentage points over the current interest rate on prime commercial loans then in effect at the First National Bank of Boston from the date of such receipt of metered values until the date of payment.
- (b) In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data may be estimated by the Company, subject to any required adjustment, based upon actual data, in a subsequent billing month.
- (c) Neither the Company nor the Seller shall have the right to challenge any monthly statement rendered or received hereunder, to invoke arbitration of the same or to bring any court or administrative action of any kind questioning the propriety of said monthly statement after a period of one (1) year from the date such monthly statement was rendered. In the event that any such monthly statement depends in whole or part upon estimated data, this one year limitation period shall be deemed to begin in the billing month in which such estimated data are adjusted to actual.
- (d) In the event that the Company has entered into any agreements for Transmission Services pursuant to Article IV, the Company shall deduct from any payments due Seller for electric energy purchased by the Company hereunder any payments made by the Company from time to time for Transmission Services. It is the intent of both parties to this Agreement that Seller shall be entitled to receive from the Company payment for electric energy sold to the Company minus all amounts paid by

the Company for Transmission Services ("Net Payment"). In the event that the Net Payment for any payment month is less than zero, such Net Payment shall be billed to Seller and Seller shall reimburse the Company therefor according to the same standards as are established for payments to Seller by this Article.

ARTICLE VII. Governmental Regulation.

- (a) This Agreement shall be submitted by the Company to the MDPU in accordance with applicable regulations of the MDPU for approval. If such approval of the MDPU is not acceptable in form and substance to the Company and the Seller, this Agreement shall not become effective.
- (b) It shall be the responsibility of each party hereto to take all necessary actions to satisfy any regulatory requirements which may be imposed by any federal, state or municipal statute, rule, regulation or ordinance which may be in effect from time to time relative to the performance of such party hereunder.
- (c) This Agreement and all rights and obligations of the parties hereunder are subject to all applicable state and federal laws and all duly promulgated orders and duly authorized actions of governmental authorities.

ARTICLE VIII. Liability and Force Majeure.

- (a) The parties hereto shall be excused from performing hereunder (except for obligations of payment and indemnification) and shall not be liable in damages or otherwise if and to the extent that they shall be unable to do so or are prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or the public enemy, restraint by a court or regulatory agency, or any other cause, whether or not similar thereto, beyond the reasonable control of the affected party. Each party shall have the obligation to operate in accordance with good utility practices at all times and to use diligent effort to overcome and remove the cause of failure to perform. Neither the Company nor the Seller shall, in any event, be liable to the other or to any third party for any consequential, indirect or special



damages to persons or property, whether arising in tort, contract or otherwise, by reason of this Agreement or any services performed or undertaken to be performed by the Company or the Seller hereunder.

- (b) Whenever the Company's system or the systems with which it is directly or indirectly interconnected experience a "System Emergency", or whenever it is needful or desirable to aid in the restoration of service on its system or on the systems with which it is directly or indirectly interconnected, the Company may, in its reasonable judgment, curtail or interrupt the taking of electric energy hereunder, provided such curtailment or interruption shall continue only for so long as is reasonably necessary. Such curtailment, interruption, or reduction shall not be deemed to be a default by the Company nor shall the Company be liable therefor to Seller or to any other party. A System Emergency means an imminent condition on a utility's system which is likely to result in significant disruption of service or is likely to endanger life or property.
- (c) The Company and the Seller agree that each shall be responsible for the electricity on its respective side of the Delivery Point and shall indemnify, save harmless and defend the other against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner directly or indirectly arising from, connected with or growing out of the presence or use of electricity or the transmission of electricity over the wires, cables, devices or appurtenances owned by it. The Company and the Seller respectively assume full responsibility in connection with the service rendered hereunder for their respective wires, cables and other devices used in connection with said service. Each party hereto shall be solely liable for all claims of its own employees arising from any workmen's compensation laws.
- (d) Neither by inspection nor non-rejection nor in any other way does either party give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of any equipment, apparatus or devices, installed on the other party's premises.

#### ARTICLE IX. Governing Law.

The interpretation and performance of the Agreement shall be in accordance with and controlled by the laws of the Commonwealth of Massachusetts.

ARTICLE X. Miscellaneous Provisions.

- (a) As described in Article VII(a), this Agreement is to be submitted to the MDPU for its approval. When such approval is obtained in form and substance acceptable to the Company and Seller, this Agreement shall constitute the entire Agreement between the parties hereto relating to the subject matter hereof and all previous agreements (including a Power Sale Agreement between the parties dated October 15, 1986), discussions, communications and correspondence with respect to the subject matter hereof shall be superseded by the execution of this Agreement.
- (b) This Agreement may not be modified or amended except in writing signed by or on behalf of both parties by their duly authorized officers.
- (c) In the event that any or all of the NEPOOL standards referenced herein shall cease to be established, or if the Company ceases participation in NEPOOL, the Company may impose reasonable substitute standards which shall not materially alter the obligations of the Seller as such obligations existed under the NEPOOL standards.
- (d) This Agreement shall inure to the benefit of and bind the respective successors and assigns of the parties hereto, provided, however, that no assignment by either party (or any successor or assignee thereof) of its rights and obligations hereunder (except an assignment of such rights and obligations to a wholly-owned subsidiary or an affiliate wholly-owned by the same holding company as such party whose principal functions are, in the case of the Seller's assignee, to own and operate the Unit) shall be made or become effective without the prior written consent of the other party in each case obtained, which consent shall not be unreasonably withheld. All assignments by Seller shall be in such form as to assure that the Company's right to receive the electric output of the Site and/or Unit pursuant to the terms of this Agreement shall apply against any entity which might obtain title to or possession of the Site and/or Unit.
- (e) Notwithstanding any assignments of rights or duties hereunder, neither party shall be relieved of any duties or responsibilities under this Agreement and this Agreement shall continue in accordance with its terms and such party shall be and remain liable to the other under all provisions of this Agreement unless the other party has expressly

consented in writing to such release of duties and responsibilities, such consent not to be unreasonably withheld. Further, any payments made by one party to an assignee of the other party or any other actions taken by such party with respect to such assignee shall be in full satisfaction of any duties or responsibilities which the party would otherwise owe to the other party, as if made or taken directly to such other party.

- (f) ~~All notices required or permitted under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or deposited in the mails, postage prepaid, registered mail addressed to the party to whom notice is being given at its address set forth above. Either party may change its address by notice similarly given.~~
- (g) The parties hereto agree to establish an administrative committee. Such committee shall act only in an advisory capacity. Unless otherwise agreed by the administrative committee, such committee shall meet at least once each calendar quarter prior to the In-Service Date and at least twice each year thereafter. The Company and the Seller shall have equal representation upon said committee.
- (h) The Company's obligations hereunder are conditioned upon the Unit being certified as a qualifying facility ("QF") under the Federal Energy Regulatory Commission regulations (18 CFR 292 et seq.) implementing the Public Utility Regulatory Policies Act of 1978 (16 U.S.C.A. Section 823 et seq.) upon the In-Service Date. Further, the Seller shall use best efforts to maintain such certification of QF status throughout the term of this Agreement. If, despite such efforts, certification of the Unit's QF status is revoked, suspended, or otherwise terminated after the In-Service Date, the Seller shall use best efforts to regain certification of such status and the Company and the Seller agree to continue to purchase and sell electric capacity and related energy from the Unit in accordance with the terms of this Agreement, including, without limitation, the purchase price provisions or Article III.
- (i) The Company hereby acknowledges that Seller has heretofore entered into the Other Agreements (as defined in the First Amendment to Power Sale Agreement dated as of even date herewith between the Company and Seller (the "First Amendment")) and that the Company has received from Seller and reviewed true and complete copies thereof. If the Company believes that either or both of such Other Agreements

contains terms more favorable to BEC (as defined in the First Amendment) and/or MEC (as defined in the First Amendment) than the terms of this Agreement are to the Company, then the Company shall notify Seller in writing to such effect no later than the date hereof in which event Seller shall make such more favorable terms available to the Company for a period of thirty (30) days after the date on which such notice is given, provided that the Company commits itself to the other substantive terms of either or both of such Other Agreements, as the case may be. Notwithstanding the foregoing, in the event that (a) Seller enters into (x) an amendment to either or both of such Other Agreements after the date hereof, (y) a power purchase agreement other than the relevant Other Agreement for sales of capacity and/or related energy from the Unit with BEC or MEC or (z) a power purchase agreement for sales of capacity and/or related energy from the Unit with any third party other than BEC or MEC, and, (b) upon review of such amendment or such power purchase agreement, the Company believes that such amendment or such power purchase agreement contains terms more favorable to the applicable third party than the terms of this Agreement are to the Company, then Seller shall make such more favorable terms available to the Company for the remaining term of this Agreement, provided that the Company commits itself to the other substantive terms of such amendment or such power purchase agreement.

#### ARTICLE XI. Arbitration.

- (a) In the case of any dispute between the parties with respect to the interpretation of this Agreement, or the performance of the same, either party may give notice in writing to the other of its desire to submit such questions to arbitration, and may designate an arbitrator. Within thirty (30) days after the receipt of such notice, the other party may, in writing, serve upon the party invoking such arbitration, a notice designating an arbitrator on its behalf. The two arbitrators so chosen shall, within twenty (20) days after the appointment of the second arbitrator, in writing, designate a third arbitrator. Upon the failure of the party notified to appoint the second arbitrator within such time, the party invoking such arbitration may proceed with the single arbitrator. If the first and second arbitrators are unable to agree on a third arbitrator within twenty (20) days of the appointment of the second arbitrator, the first and second arbitrator shall invoke the services of the American Arbitration Association to appoint a third arbitrator. Said third arbitrator shall, to the extent practicable, have

special competence and experience with respect to the subject matter under consideration. An arbitrator so appointed shall have full authority to act pursuant to this Article. No arbitrator, whether chosen by a party hereto or appointed, shall have the power to amend or add to this Agreement.

- (b) The party calling the arbitration shall, within twenty (20) days after either the failure of the other party to name an arbitrator, or the appointment of the third arbitrator, as the case may be, fix, in writing, a time and a place of hearing, to be not less than twenty (20) days from delivery of notice to the other party. ~~The arbitrator or arbitrators~~ shall, thereupon, proceed promptly to hear and determine the controversy pursuant to the then current rules of the American Arbitration Association for the conduct of commercial arbitration proceedings, except that if such rules shall conflict with the then current provisions of the laws of the Commonwealth of Massachusetts relating to arbitration, such conflict shall be governed by the then current provisions of the laws of the Commonwealth of Massachusetts relating to arbitration. Such arbitrator or arbitrators shall fix a time within which the matter shall be submitted to him or them by either or both of the parties, and shall make his or their decision, within ten (10) days after the final submission to him or them unless, for good reasons to be certified by him or them in writing, he or they shall extend such time. The decision of the single arbitrator, or two of the three arbitrators, shall be taken as the arbitration decision. Such decision shall be made in writing and in duplicate, and one copy shall be delivered to each of the parties. The arbitrator or arbitrators by his or their award shall determine the manner in which the expense of the arbitration shall be borne, except that each party shall pay the costs of its own counsel. Each party shall accept and abide by the decision. The award of the arbitral tribunal shall be final except as otherwise provided by applicable law. Judgment upon such award may be entered by the prevailing party in any court having jurisdiction thereof, or application may be made by such party to any such court for judicial acceptance of such award and an order of enforcement.

ARTICLE XII. Insurance.

- (a) From and after the In-Service Date, the Seller shall (i) keep the Unit insured by means of a policy or policies of insurance protecting against loss or damage to the Unit by fire, lightning and other casualties normally insured

against, with a uniform standard extended coverage endorsement, and (ii) maintain liability insurance as described in the Appendix C attached hereto. Such insurance is to be at all times in amounts not less than that reasonably required by the Company. The Company shall be the named insured in said liability policies and said policies shall contain a waiver of subrogation in favor of the named insureds. All policies, or copies thereof, together with a certificate from the insurers evidencing that said policies are currently in force, shall be delivered to the Company.

- (b) ~~Such insurance shall be provided by policies which shall be~~ written by such companies and in such form as shall be acceptable to the Company, such acceptance not to be unreasonably withheld, shall be primary and without right to contribution from other insurance which may be available, shall provide that with respect to the Company, the insurance shall not be invalidated by any action or inaction by Seller including without limitation, any representation made by or on behalf of Seller in the procurement of such insurance and shall provide that such insurance shall not be cancelled or amended without at least thirty (30) days' prior written notice to the Company.
- (c) Not less than thirty (30) days prior to the expiration date of each policy furnished by Seller pursuant to this article, Seller will deliver to the Company a renewal policy or policies accompanied by evidence of payment of the premium therefor.
- (d) The amount of any proceeds of insurance described in Article XII(a)(i) above remaining after deducting all expenses (including attorney fees) incurred in the collection of such proceeds from the gross proceeds thereof (the "Net Proceeds") shall be applied to the prompt repair, restoration, modification or improvement of the portion of the Unit that was damaged or destroyed by such casualty unless the Seller and the Company have agreed that such repair, restoration, modification or improvement is not practicable under the circumstances.

ARTICLE XIII. Preservation of the Unit.

- (a) Seller in its sound discretion may sell or otherwise dispose of any machinery or equipment or other personal property constituting part of the Unit which it determines has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, provided that:

- (i) Substitute property having equal or greater utility (but not necessarily having the same function) in the operation of the Unit is installed at the Unit and such removal and substitution will not materially impair the efficiency of the operations of the Unit or adversely affect the structural integrity or electrical output of the Unit or change the nature of the Unit to the extent that it would not constitute the type of electricity generation facility operated prior to such replacement; and
- (ii) The prior written consent of the Company is obtained, which consent shall not be unreasonably withheld.

Seller shall promptly report to the Company each such removal, substitution, sale and other disposition. In addition, not less often than semiannually, the Seller shall make available to the Company's representatives on the administrative committee described in Article X(g) all records with respect to prior dispositions and substitutions, together with information as to planned dispositions and substitutions during the next six months.

- (b) Seller shall pay or cause to be paid all taxes, payments in lieu of taxes, assessments and other charges now or hereafter levied against the Unit or any part thereof together with any penalties or interest on any of the foregoing; and upon request of the Company, Seller shall exhibit to the Company receipts for the payment of such charges prior to the date when same shall become delinquent; the foregoing to be subject however to the right of Seller and other parties in interest to contest in good faith the levying of such charges.
- (c) Seller warrants that good and clean record and marketable title to the Site and to the Unit is held by the Seller (subject only to any mortgages, liens, leases or other encumbrances existing as of record and copies of which have been provided to the Company). The Seller shall not enter into any transaction involving the transfer, sale or lease of the Site or the Unit, or any interest therein, without the prior written consent of the Company in each case obtained, which consent shall not be unreasonably withheld. Such transfer sale or lease shall be in such form as to assure that the Company's right to receive the electric output of

the Site and/or Unit pursuant to the terms of this Agreement shall apply against an entity which might thereby obtain title and/or possession of the Site or Unit.

- (d) Seller will maintain or cause to be maintained the Unit in accordance with good industry practice, will not commit or suffer any waste thereof or the conduct of any nuisance or unlawful occupation or business on, or use of, the Unit, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the Unit; and Seller at its expense shall provide the Company with a report on annual basis prepared by a nationally recognized firm of consulting engineers of Seller's choosing approved by the Company (such approval not to be unreasonably withheld) attesting to the fact that the Unit is being maintained in accordance with good industry practice. If substantial items affecting long-term efficient operation of the Unit which are described in any such annual report as being in need of correction are not corrected within six months from the date of such annual report, the Company may withhold payment of up to 25% of the Total Purchase Price Rate, with such amounts to be held in escrow by the Company until the cited item has been corrected, upon which correction the escrowed funds shall be released to the Seller. Notwithstanding the foregoing, if any such correction is not made within 12 months from the date of such annual report, the Company may elect to cause such correction to be made at Seller's expense.
- (e) The Company and any persons authorized by the Company shall have the right to enter and inspect the Unit at all reasonable times upon reasonable prior written notice to Seller and to examine Unit operating manuals and maintenance records.

ARTICLE XIV. Security of Continued Performance.

The Parties acknowledge that the Company and its ratepayers will incur costs hereunder such that the Company and its ratepayers expect to receive full consideration therefor only to the extent that the Seller's obligations hereunder are fully performed and electricity from the Unit is sold to the Company for the full anticipated term of this Agreement. Accordingly, in order to secure complete performance of the Seller's obligations and the continued sale of electricity from the Unit to the Company, at the time of the primary project financing Seller shall provide security to the Company in a form which includes the following items:



(a) Mortgage and Security Agreement

Seller shall execute and deliver to the Company a mortgage and security agreement creating liens and security interests in the Site, the Unit, all improvements upon the Site and all rents, profits, income and other benefits derived from the foregoing, subordinate only to the interests of the primary lender, securing (i) all amounts paid by the Company to Seller pursuant to this Agreement in excess of the Company's actual avoided costs and (ii) performance of Seller's obligations under this Agreement for the full anticipated term thereof. Such mortgage and security agreement shall be in form and substance acceptable to the Company. The Company acknowledges that Seller has agreed to execute and deliver to MEC a mortgage and security agreement substantially similar to the mortgages and security agreements required to be executed and delivered by Seller to the Company hereunder and under the Power Sale Agreement relating to the Unit between the Company and Seller dated November 26, 1986. Accordingly, the Company and Seller agree to address in a reasonable manner the issue of Seller's obligations to execute and deliver each such mortgage and security agreement, including, without limitation, the issue of the consolidation of all such mortgages and security agreements, if legally permissible, into one document or instrument under which each of the Company and MEC is a beneficiary and to address in a reasonable manner the issue of the respective purchasers entering into reasonable arrangements with each other concerning the respective rights, duties and relationships of the Company and MEC with respect to the collateral covered by such mortgages and security agreements.

(b) Letter of Credit

Seller shall provide to the Company and shall maintain in effect for seven years following the In-Service Date an irrevocable letter of credit for \$1,000,000. Such letter of credit shall be in form and substance acceptable to the Company.

(c) Easement and Covenant Running with the Land

Seller shall cause to be granted to the Company an unsubordinated declaration of easements, covenants and restrictions encumbering the Site for a period equal to the anticipated full term of this Agreement. Such declaration shall grant to the Company easements for access to the Site

and for the placement and operation of facilities thereon, as well as create restrictions and covenants to the effect that the Company's entitlement to electricity produced at the Site shall in no case be sold to anyone other than the Company. Such declaration shall be in form and substance acceptable to the Company and shall run with the Site and be binding upon the successors of Seller and inure to the benefit of the Company and its successors.

(d) Agreements of Subordination and Attornment

Seller shall cause the first mortgagee to execute and deliver a subordination agreement, subordinating the interests of the first mortgagee to the foregoing declaration of easements, covenants and restrictions. Seller shall further cause such first mortgagee to agree to honor this Agreement to the extent it is in possession of the Site or Unit, and to transfer interests in the Site or Unit only under the condition that the transferee obligate itself to honor this Agreement.

ARTICLE XV. Rights of Company with Respect to Expansion of Plant and Extension of Unit Life.

Seller shall not enter into any contract for the sale of electricity from any addition to or expansion of the Unit or from any other electricity generation facilities located on the Site, until and unless, (A) Seller shall have first offered to enter into a contract with the Company for the purchase and sale of an amount of such electricity proportionate to the Company's then current entitlement share to the Unit on substantially the same business terms as those specified in any proposal or letter of intent between Seller and any other party with respect thereto and (B) the Company does not accept such offer within sixty (60) days of the date presented to the Company in writing and enter into a contract reflecting such business terms within one hundred and twenty (120) days thereafter. Further, should Seller operate the Unit beyond the term of this Agreement, Seller shall enter into a contract for the sale of electricity from the Unit or any other electricity generation facilities located at the Site only under the conditions set forth in the foregoing sentence. Seller agrees to keep the Company fully and promptly apprised through the administrative committee of any plans Seller may develop for any addition to or expansion of the Unit or the development of any other steam or electricity generation facilities on the Site, which information the Company agrees not to disclose except with Seller's prior written permission.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

COMMONWEALTH ELECTRIC COMPANY


By:

  
Vice President

NORTHEAST ENERGY ASSOCIATES, A LIMITED  
PARTNERSHIP

By: Intercontinental Energy Corporation,  
General Partner

By:

  
VICE President



APPENDIX A

A 154 acre plus 19,555 more or less square feet parcel of land located in Bellingham on the Westerly side of Depot Street. Beginning at a pike on the south easterly corner of said property, thence S75-01-30W a distance of 876.02 to a steel "T" bound, thence S65-08-50W a distance of 1027.19 to an iron pipe in stones, the last two courses being by land N/F Jesse Jones, thence N-24-18-30W a distance of 146.39 to a stake, thence N32-54-20W a distance of 824.78 to a stake, the last two courses being by land of Gerard, thence S67-00-40W a distance of 589.756 to a stake, thence S36-28-30W a distance of 11.68 to a stake, thence, S66-00-20W a distance of 97.48 to a stake, thence S70-18-00W a distance of 111.47 to a stake, thence S61-43-10W a distance of 214.02 to a stake, thence S59-42-20W a distance of 217.83 to a stake, thence S62-00-50W a distance of 170.09 to a stake, thence N88-00-00W a distance of 220 plus or minus to the center line of the Charles River, the last eight courses being by land of Peloquin in a northeasterly direction by the center line of the Charles River which is also the town line between Bellingham and Mandon for a distance of 3400 plus or minus to a corner, thence N66-51-00E a distance of 301 plus or minus to a twelve inch oak, thence N69-47-00E a distance of 114.16 to a twelve inch oak, thence N83-59-50E a distance of 150.78 to a ten inch oak, thence S77-46-00E a distance of 285.99 to a stake, thence N45-31-10E a distance of 226.09 to a ten inch oak, thence N05-42-30W a distance of 69.88 to an eight inch oak, thence N80-37-20E a distance of 160.14 to a fence post, thence N18-53-40E a distance of 41.57 to a fence post on the south westerly side line of the New York, New Haven and Hartford Railroad. The last eight courses being by land of Hazard, thence S39-50-50E a distance of 1413.57 by the sideline of the railroad to a spike on the westerly side of Depot Street, thence S19-11-40E a distance of 1,778.81 to the sideline of Depot Street to a point of beginning.

APPENDIX B

<u>All Months In Year</u>	<u>TPR</u>
1990	3.45
1991	3.96
1992	4.50
1993	4.84
1994	5.20
1995	5.59
1996	6.01
1997	6.46
1998	6.94
1999	7.47
2000	8.03
2001	8.63
2002	9.27
2003	9.97
2004	10.72
2005	11.52
2006	12.39
2007	13.31
2008	14.31
2009	15.39
2010	16.54
2011	17.78
2012	19.11
2013	20.54
2014	22.08

APPENDIX C

From and after the In-Service Date the Seller shall take out, carry and maintain, or cause to be taken out, carried and maintained the following liability insurance:

Comprehensive General Liability Insurance, including automobile and contractual liability and liability arising out of aircraft or watercraft, if applicable, with a combined single limit per occurrences of at least \$5,000,000 applicable to bodily injury, sickness or death and loss of or damage to property, subject to an aggregate limit of not less than \$5,000,000 for products and completed operations. Endorsements shall be included for (a) X,C, and U hazards (blasting, collapse and underground property damage), (b) broad form property damage, and (c) personal injury in addition to bodily injury.





COMMONWEALTH ELECTRIC COMPANY

Standard Information Requirements  
For Power Purchase Agreements

September 19, 1988

Standard Information Requirement 1

a. Financial and Rating Period Assumptions. Please describe the method or the sources of information upon which these assumptions are derived.

Response:

Please refer to Exhibit 1A for the requested assumptions.

(1) Discount Rate

The discount rate used in the net present value calculations is 12.44 percent, based on Commonwealth's weighted average cost of marginal capital. This factor was derived from Commonwealth's capital structure of 50 percent debt and 50 percent equity, with the cost of debt at 9.37 percent and the cost of equity at 15.5 percent. This cost of debt of 9.37 percent reflects the cost of Commonwealth's last issuance of debt. The cost of equity of 15.5 percent was approved in the Company's last rate case, DPU 956.

(2) Inflation Rate

Please refer to Exhibit 1 for the Construction Growth Rates used.

(3-5) Tax Rates

The federal and state income tax rates are those rates that would be in effect in the installation year of 1996. The property tax rate is based on the percent of gross plant for Canal.

(6-7) Period Hours

The total period hours used in the cost estimates is 8760. The peak period is 3120 hours. Both period hours can be derived from MDPU No. 133.

b. Total Period Long-Run Avoided Costs. Please provide a description of the load and decrement used in the energy rate calculations, the fuel price forecast, and a description of the method or the sources of information upon which generating unit performance is based.

Response:

Please refer to Table 1 for the base, high and low fuel scenarios.

(1) Avoided Fuel Expenses

Long-run avoided fuel and operation and maintenance costs were calculated in accordance with 220 CMR 8.05 (3)(b)(3). The fuel prices used in developing these figures are the DRI, February 1988 forecasted prices. Please refer to Exhibit 2 attached.

(2) Avoided Variable O&M Expenses

The base case production costs are estimated using the expansion plan discussed in Standard Information Requirement 2. An alternate case is produced by reducing the load by the size of a combined cycle unit (100 MW) and reducing the capacity by the same amount. The avoided energy rate is the difference between the base and the alternate production costs divided by the difference between base and alternate energy.

The assumed performance characteristics for the combined cycle and gas turbine units used in developing the ceiling price schedule were obtained from "The Generation Task Force Long-Range Study Assumptions", April, 1988.

c. Annual Revenue Requirement Streams of the Next Avoidable Unit and a New Utility Peaker

Please refer to Tables 2, 3, 4 and 5 for the required information for the base, high, and low fuel scenarios.

COMMONWEALTH ELECTRIC COMPANY

Standard Information Requirements  
For Power Purchase Agreements

September 19, 1988

Standard Information Requirement 2

Please provide the Company's supply and demand plan used in developing the Company's avoided cost rates. If this plan is different from the latest plan filed with Energy Facilities Siting Council, or from the Company's latest RFP to solicit QF generation, please explain the differences and their appropriateness.

Response:

The Company's supply and demand plan used in developing its avoided cost rates is provided as Exhibit 3; the resultant expansion plan is shown as Exhibit 4. The next avoidable unit as predicted by such plans is a 100 MW combined cycle unit scheduled to come on-line in 1996.

The demand forecast in the current filing is identical to the forecast submitted to the Energy Facilities Siting Council (EFSC) on April 22, 1988 as part of the Company's Integrated Resource Plan. This demand forecast, which includes the effects of demand-side management, has been updated from the October 1987 EFSC demand plan used in the Company's RFP.

The current supply plan used in developing the Company's avoided cost rates has been updated from the latest plan filed with the EFSC on April 22, 1988. It also differs from the Company's RFP, as approved by the Department on May 6, 1988 and issued on May 13, 1988. Such differences and their appropriateness are explained below. In addition to these differences, the current supply plan varies from the RFP and the latest EFSC plan due to changes in short-term capacity purchases from Northeast Utilities. The Company is active in the dynamic short-term capacity market and by nature these short-term purchases are subject to adjustments as arrangements are finalized.

EFSC

1. The August, 1987 Data Resources, Inc., Energy Price Forecast was used in the EFSC filing. The fuel forecast in the current supply plan was updated by incorporating the February 1988 Energy Price Forecast. This new DRI fuel forecast projects a reduction in the special market gas rate and maintains relatively the same coal escalation levels.

2. The base case supply plan as filed with the EFSC included Pilgrim Unit No. 1 power for the years 1988 to 2001 while the current supply plan includes such power over the period 1/1/89 to 12/31/93. This change was made in light of the Company's current FERC complaint proceeding associated with the Pilgrim Unit No. 1 power contract. The Company is seeking termination of its contract with Boston Edison in pending FERC Docket No. EL88-5-000. The 1993 termination date for the Pilgrim contract is based upon the Company's estimate of the time it will take to complete the proceeding. For planning purposes the Company assumes that this capacity will be available through 12/31/93, at which time its contract obligations will be terminated.
3. The in-service date for Seabrook has been changed from 1/1/89 in the EFSC supply plan to 1/1/90 in the current supply plan. Such change is consistent with a financial planning announcement by the lead participant of the Seabrook project, Public Service Company of New Hampshire.
4. The purchase from the SEMASS QF has been updated in two respects. First, the amount of the original capacity purchase has been revised from 51 MW to 47.7 MW. Second, the Company has purchased an additional 22.5 MW of capacity from the SEMASS Expansion Unit with an in-service date for this added increment of 1/1/91. The Power Sale Agreement for this SEMASS Expansion was approved by the Department on April 7, 1988.
5. The in-service date for the Tondu Energy System QF project has been changed to 1/1/91 based upon the latest information from the project developers.

These developments and revisions to the Company's supply plan result in a revised expansion plan. The supply plan filed with the EFSC resulted in a base case expansion plan with the addition of a 200 MW combined cycle unit in 1999. The current supply plan results in an expansion plan, as shown in Exhibit 4 herein, with the addition of a 100 MW combined cycle unit in 1996.

#### RFP

The supply plan has also been updated since the issuance of the RFP, in some respects reflecting the same recent developments as those described above. The February 1988 DRI fuel forecast has been employed in the current supply plan and Pilgrim Unit 1 capacity is included from 1/1/89 to 12/31/93, both as discussed above. Other differences between the current supply plan and the RFP are as follows.

1. Pursuant to the Department's May 6, 1988 order in DPU 87-50 the Company removed Seabrook from its RFP supply plan. The Company believes that Seabrook is properly included in its current supply plan and has assumed an in-service date for Seabrook of 1/1/90, as discussed above.
2. The additional 22.5 MW SEMASS capacity is included, as discussed above.

3. In the current supply plan, the RFP supply block of 109 MW is considered to be filled and to be available in 1991. As a result, the next avoidable unit in the current supply plan moves further into the future. The development of the Company's avoided costs on this "second decrement" basis results in a lower schedule of avoided costs than the RFP avoided costs.
-

COMMONWEALTH ELECTRIC COMPANY

Standard Information Requirements  
For Power Purchase Agreements

September 19, 1988

Standard Information Requirement 3

NEA Additional Capacity vs. Company Avoided Costs

Please refer to Schedules 1 through 6 for the requested information for the  
base, high and low fuel forecast scenarios.

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COMMONWEALTH ELECTRIC COMPANY

Standard Information Requirements  
For Power Purchase Agreements

September 19, 1988

Standard Information Requirement 4

Performance and Security Provisions

A. Discussion of Specific Provisions

Operation and Maintenance Standards. Article I(b) of the Agreement provides that the Unit will be operated and maintained in accordance with NEPOOL standards. This provision is designed to ensure that appropriate procedures are followed so that the ratepayers achieve the optimum output of the Unit over the long term. Article I(c) provides a monitoring process and an economic incentive towards proper upkeep of the Unit's capability by providing for a deficiency charge to the Seller if the Unit capacity is diminished. Also, Article IV(a) provides that the Seller shall "exert all reasonable efforts consistent with good utility practice" to cause the Unit to operate at or near its Net Electrical Capability for the full term of the Agreement.

Administrative Committee and Oversight. Several provisions of the Agreement grant the Company substantial authority to monitor and oversee the operation and maintenance of the Unit while others require that certain major decisions be reviewed and approved by the Company. Article X(g) provides for the establishment of an administrative committee whose role is to act in an advisory capacity to the project. The Company is also entitled to enter and inspect the Unit and the associated records after giving reasonable notice according to Article XIII(e). Article XIII(g) provides that the consent of the Company must be obtained prior to any transfer, sale or lease of the Site or the Unit.

Insurance of the Unit. Article XII provides that the Seller must keep the Unit insured against loss or damage in form which is acceptable to the Company, and in the event of casualty requires that the insurance proceeds will be applied to the restoration of the Unit (subject to commercial feasibility). This article is designed to protect against the risk that a casualty event might go unrepaired and prevent the ratepayers from receiving the full benefits of the Agreement.

Preservation of the Facility. Article XIII requires that the Seller not remove any parts from the Unit so as to adversely affect its structural integrity or electrical output. Article XIII also provides for a system of inspections by outside consulting engineers and includes a provision whereby the Company may reduce payments to the Seller if proper upkeep is not being performed. This provision protects against diminished capacity and reliability due to inadequate upkeep practices in the later years of the term of the Agreement.

Security Documents. Article XIV of the Agreement provides for security documents designed to establish durable legal relationships to ensure the continued availability of capacity and energy from the Unit. Section XIV(a) is a provision requiring a Second Mortgage and Security Agreement (the "Mortgage") securing for the Company full performance of Seller's obligation's and any amounts or damages relating to the non-performance of such obligations. This provision is meant to enforce the full performance of the contract and to secure the Company's claims for amounts due in the event of project failure vis-a-vis the claims of other creditors of the Seller.

In addition to the Mortgage, Sections XIV(b), XIV(c) and XIV(d) provide for additional and complementary security items. The first is an irrevocable letter of credit ("Letter of Credit") for \$1,000,000 which shall remain in effect for the first seven years following the In-Service Date. The second item of the security package is a Declaration of Easements, Restrictions and Covenants (the "Declaration") which, among other things, is intended to restrict the sale of electricity from the Unit other than pursuant to the terms of the Agreement. Such Declaration is designed to run with the land, and thereby increase the prospect that benefits to Commonwealth's ratepayers will accrue in the later years of the Agreement, regardless of project bankruptcy or changes in project ownership resulting from foreclosure or otherwise. The third security item is an agreement of subordination and attornment between the primary lender and the Company (the "Subordination Agreement"). Such agreement would subordinate the interests of the primary lender to the Declaration, and would include the agreement of the primary lender to honor the Agreement in the event that it is in possession of the Site or Unit, including certain agreements with respect to the application of insurance proceeds in the event of a casualty, and to transfer interests in the Site or Unit only on the condition that the transferee agree to honor the Agreement. In return, the Company would assure the lender that it, too, would honor the Agreement in the event that the lender came into possession or transferred the Site or Unit. Thus, the Declaration and the Subordination Agreement help define the role of the parties in the event of project upset, to the mutual benefit of all. The application of these provisions to particular circumstances is discussed below.

#### B. Cancellation and Delay

Article II(b) of the Agreement provides that either party may terminate the Agreement under either of two circumstances. First, either party may terminate the Agreement if all necessary permits and/or licenses to build and operate the facility have not been obtained, transmission services necessary to deliver power pursuant to the Agreement have not been secured, or construction of the Unit has not commenced by January 1, 1989. Second, either party may terminate the Agreement if in its reasonable judgement (exercised not sooner than 24 months after execution) the In-Service Date is likely to occur after January 1, 1992. These provisions protect the Company and its ratepayers by limiting the period in which the project's coming on-line can remain uncertain. Such limitation would allow the Company to terminate the Agreement within a reasonable time, so that it may then pursue other supply options.



C. Non-fulfillment of Contract Obligations

The above-referenced security provisions (the Mortgage, the Declaration, the Subordination Agreement and the Letter of Credit), together seek to address the issue of incomplete performance. The Mortgage, by securing full performance of Seller's obligations would provide typical mortgagee's remedies in the event of non-performance at any time in the life of the Agreement, including rights to commence foreclosure proceedings. However, there are limitations to the security provided by the Mortgage alone.

The Declaration and the Subordination Agreement are intended to complement the Mortgage in the event of non-performance. With the Declaration and the Subordination Agreement in place, in the event that the Seller has ceased performance at any time in the life of the Agreement because of financial upset resulting in turn in foreclosure by the senior lienholder, it is intended that such lienholder would have obligated itself through the Subordination Agreement to honor the Agreement and the Declaration; and the resultant legal obligations are designed to require that further deliveries of power to be made would be made only to the Company pursuant to the terms of the Agreement. In the event of non-performance at any time in the life of the Agreement due to bankruptcy, the Declaration is designed to create realty interests in the Unit and Site which should not be set aside in a bankruptcy proceeding. Thus, it is intended that the ratepayers' interests (including future benefits) would survive both the foreclosure and the bankruptcy scenarios if and to the extent protected by the Declaration and the Subordination Agreement.

The Letter of Credit is also intended to complement the Mortgage, and protect the ratepayers interests, in the event that any front-loaded payments are not fully compensated for reasons of non-performance, foreclosure or bankruptcy.

**EXHIBITS**

Name of Utility: Commonwealth Electric Company  
 Name of QF Project: Northeast Energy Associates  
 Filing Date: September 19, 1988

D.T.E. 04-85  
 Attachment AG-2-9  
 Page 37 of 72

### Financial and Rating Period Assumptions

#### Calculations of the Marginal Cost of Capital

	Amount	% of Total	Cost	Cost Component
Long-Term Debt		50.0	9.37%	4.69%
Preferred Stock		0.0	0.0%	0.0%
Common Equity		50.0	16.50%	7.75%
Total		100.0		12.44%

General Inflation Rate	Federal Income Tax Rate	State Franchise Tax Rate	Property Tax Rate	Total Period Hours	Peak Period Hours
See Exhibit 1	34%	6.5%	1.557%	8760	3120

#### Assumptions on the Avoided Unit Type of Unit: Combined Cycle

MW Size of the Unit: 100 mw's  
 Mw Size of the Supply Block: 100 mw's  
 Equivalent Availability: 81.8%  
 Commercial Operation Year: 1996  
 Useful Life of the Unit: 40 Years  
 Book Value at Commercial Operation (\$/KW): \$913.88/KW \*  
 Fixed O&M at Commercial Operation (\$/KW): \$26.38/KW  
 O&M Escalation Rate: See Exhibit 1

#### Assumptions on New Peaking Capacity Type of Unit: Combustion Turbine

MW Size of the Unit: 80 MW's  
 Mw Size of the Supply Block: 100 MW's  
 Equivalent Availability: 86.5%  
 Commercial Operation Year: 1996  
 Useful Life of the Unit: 30 Years  
 Book Value at Commercial Operation (\$/KW): \$640.84/KW \*  
 Fixed O&M at Commercial Operation (\$/KW): \$.72/KW  
 O&M Escalation Rate: See Exhibit 1

\* Book Value includes T&D.

DRI GROWTH RATES  
UTILITY COST FORECASTING REVIEW  
(DRI 4TH QTR 1987)

Exhibit 1

D.T.E. 04-85  
Attachment AG-2-9  
Page 38 of 72

YEAR	COMBINED CYCLE	GAS TURBINE	FIXED O&M
1988	4.50%	4.60%	4.20%
1989	4.80%	4.80%	4.30%
1990	5.40%	5.40%	4.80%
1991	5.30%	5.30%	4.40%
1992	5.70%	5.60%	6.00%
1993	6.10%	6.10%	6.80%
1994	6.20%	6.10%	6.00%
1995	6.40%	6.20%	6.00%
1996	6.60%	6.50%	6.00%
1997	6.80%	6.70%	6.30%
1998	6.90%	6.80%	7.20%
1999	7.00%	6.90%	7.90%
2000	7.00%*	6.90%*	7.10%*
2001	6.90%	6.80%	7.21%
2002	6.90%	6.70%	7.21%
2003	6.90%	6.80%	7.32%
2004	6.90%	6.70%	7.32%
2005	6.90%	6.80%	7.32%
2006	6.90%	6.80%	7.32%
2007	6.80%	6.70%	7.43%
2008	6.70%	6.50%	7.43%
2009	6.60%	6.50%	6.99%
2010	6.60%	6.40%	7.10%
2011	6.60%	6.40%	6.99%
2012	6.60%	6.40%	6.99%
2013	6.60%	6.40%	6.66%
2014	6.60%	6.40%	6.66%
2015	6.60%	6.40%	6.66%
2016	6.60%	6.40%	6.66%
2017	6.60%	6.40%	6.66%

\* Values past this year are trended based on DRI, 2nd QTR, 1987

## FEBRUARY 1988 DRI ENERGY PRICE FORECAST

D.T.E. 04-85  
Attachment AG-2-9  
Page 39 of 72

	Kero	Diesel	0.5%	1.0%	2.2%	N Gas	Coal
1988	4.43	3.93	3.12	2.91	2.66	1.93	2.27
1989	4.71	4.31	3.38	3.14	2.90	1.99	2.37
1990	5.08	4.66	3.69	3.44	3.18	2.10	2.45
1991	5.59	5.12	4.06	3.78	3.50	2.40	2.56
1992	6.03	5.54	4.42	4.14	3.83	2.72	2.70
1993	6.41	5.88	4.72	4.41	4.09	3.17	2.84
1994	6.83	6.27	5.05	4.72	4.38	3.72	2.96
1995	7.35	6.75	5.46	5.11	4.74	4.13	3.10
1996	7.99	7.33	5.95	5.57	5.17	4.50	3.24
1997	8.83	8.10	6.61	6.18	5.74	4.98	3.41
1998	9.78	8.97	7.35	6.87	6.39	5.50	3.58
1999	10.99	10.08	8.29	7.75	7.21	6.16	3.76
2000	12.29	11.28	9.32	8.71	8.11	6.87	3.94
2001	13.79	12.65	10.47	9.79	9.11	7.65	4.15
2002	15.40	14.12	11.70	10.94	10.19	8.54	4.37
2003	17.10	15.69	13.01	12.17	11.34	9.47	4.60
2004	18.64	17.10	14.21	13.28	12.38	10.34	4.86
2005	20.17	18.50	15.40	14.39	13.42	11.15	5.11
2006	21.75	19.95	16.63	15.54	14.50	11.92	5.39
2007	23.43	21.49	17.94	16.77	15.64	12.65	5.69
2008	25.00	22.93	19.17	17.92	16.72	13.29	6.00
2009	26.56	24.37	20.41	19.07	17.80	13.86	6.34
2010	28.12	25.80	21.64	20.22	18.87	14.44	6.69
2011	29.80	27.34	22.93	21.44	20.01	15.32	7.06
2012	31.49	28.89	24.23	22.65	21.14	16.19	7.45
2013	33.37	30.61	25.67	23.99	22.40	17.16	7.86
2014	35.33	32.42	27.18	25.41	23.72	18.17	8.30
2015	37.49	34.39	28.84	26.95	25.16	19.28	8.76
2016	39.55	36.29	30.42	28.43	26.55	20.36	9.25
2017	41.80	38.35	32.15	30.05	28.06	21.03	9.75

## STANDARD INFORMATION REQUIREMENTS

D.T.E. 04-85  
Attachment AG-2-9  
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Summary of Supply and Demand Plan  
(1988 - 2017)

YEAR	SYSTEM PEAK	PEAK + 22.8% RESERVE	EXISTING CAPACITY	CAPACITY ADDITIONS	CUMULATIVE ADDITIONS	TOTAL
-----	-----	-----	-----	-----	-----	-----
1988	851	1045	1041	0	0	1041
1989	826	1014	1078	0	0	1078
1990	829	1018	1196	0	0	1196
1991	852	1046	1369	0	0	1369
1992	875	1075	1314	0	0	1314
1993	890	1093	1274	0	0	1274
1994	909	1116	1149	0	0	1149
1995	929	1141	1149	0	0	1149
1996	942	1157	1149	100	100	1249
1997	958	1176	1149	0	100	1249
1998	967	1187	1149	0	100	1249
1999	980	1203	1149	0	100	1249
2000	994	1221	1149	0	100	1249
2001	1003	1232	1091	100	200	1291
2002	1014	1245	1091	0	200	1291
2003	1026	1260	1091	0	200	1291
2004	1039	1276	1091	0	200	1291
2005	1053	1293	1091	100	300	1391
2006	1067	1310	1091	0	300	1391
2007	1081	1327	982	100	400	1382
2008	1096	1346	957	0	400	1357
2009	1110	1363	957	100	500	1457
2010	1129	1386	957	0	500	1457
2011	1146	1407	910	0	500	1410
2012	1164	1429	910	100	600	1510
2013	1182	1451	887	0	600	1487
2014	1201	1475	887	0	600	1487
2015	1219	1497	780	200	800	1580
2016	1238	1520	780	0	800	1580
2017	1257	1544	780	0	800	1580

PLANNED SUPPLY ADDITIONS  
( Combined Cycle Units)D.T.E. 04-85  
Attachment AG-2-9  
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YEAR	MW ADDITIONS
1988	0
1989	0
1990	0
1991	0
1992	0
1993	0
1994	0
1995	0
1996	100
1997	0
1998	0
1999	0
2000	0
2001	100
2002	0
2003	0
2004	0
2005	100
2006	0
2007	100
2008	0
2009	100
2010	0
2011	0
2012	100
2013	0
2014	0
2015	200
2016	0
2017	0
TOTAL	800

**BASE CASE**

**TABLES 1, 2, 3, 4, 5**



TABLE 1  
(Commonwealth Electric)  
Total Period Long-Run Avoided Costs  
Excluding Losses

(a) Year	Total Period Avoided Energy Rates (cents/kwh)				(f)	(g)	Total Period Avoided Capacity Rates (cents/kwh)			(k) Total Period Avoided Cost Rate (cents/KWH)
	(b) Avoided Fuel Cost	(c) Avoided Variable O&M	(d) Avoided Capital- ized Energy Costs	(e) Avoided NEPEX Savings Share			(h) Avoided Capacity Cost	(i) Demand Loss Factor	(j) Avoided Capacity Rate	
1988	3.49	0.12	0.00	0.33	0.000%	3.94	0.00	0.000%	0.00	3.94
1989	3.36	0.09	0.00	0.33	0.000%	3.78	0.00	0.000%	0.00	3.78
1990	3.36	0.07	0.00	0.33	0.000%	3.76	0.00	0.000%	0.00	3.76
1991	3.30	0.05	0.00	0.33	0.000%	3.68	0.00	0.000%	0.00	3.68
1992	3.75	0.06	0.00	0.33	0.000%	4.14	0.00	0.000%	0.00	4.14
1993	4.10	0.09	0.00	0.33	0.000%	4.52	0.00	0.000%	0.00	4.52
1994	4.80	0.13	0.00	0.33	0.000%	5.26	0.00	0.000%	0.00	5.26
1995	5.32	0.15	0.00	0.33	0.000%	5.80	0.00	0.000%	0.00	5.80
1996	4.77	0.21	0.63	0.33	0.000%	5.94	0.83	0.000%	0.83	6.77
1997	5.19	0.24	0.67	0.33	0.000%	6.43	0.88	0.000%	0.88	7.31
1998	5.62	0.27	0.72	0.33	0.000%	6.94	0.94	0.000%	0.94	7.88
1999	6.22	0.30	0.77	0.33	0.000%	7.62	1.01	0.000%	1.01	8.63
2000	6.96	0.32	0.82	0.33	0.000%	8.43	1.08	0.000%	1.08	9.51
2001	7.83	0.33	0.88	0.33	0.000%	9.37	1.15	0.000%	1.15	10.52
2002	8.84	0.34	0.94	0.33	0.000%	10.45	1.23	0.000%	1.23	11.68
2003	9.84	0.37	1.01	0.33	0.000%	11.55	1.31	0.000%	1.31	12.86
2004	10.83	0.39	1.08	0.33	0.000%	12.63	1.40	0.000%	1.40	14.03
2005	11.52	0.39	1.16	0.33	0.000%	13.40	1.49	0.000%	1.49	14.89
2006	12.45	0.41	1.24	0.33	0.000%	14.43	1.59	0.000%	1.59	16.02
2007	13.79	0.45	1.33	0.33	0.000%	15.90	1.70	0.000%	1.70	17.60
2008	14.73	0.49	1.42	0.33	0.000%	16.97	1.81	0.000%	1.81	18.78
2009	15.46	0.50	1.51	0.33	0.000%	17.80	1.93	0.000%	1.93	19.73
2010	16.46	0.52	1.62	0.33	0.000%	18.95	2.05	0.000%	2.05	21.00
2011	17.07	0.56	1.73	0.33	0.000%	19.69	2.18	0.000%	2.18	21.87
2012	18.81	0.58	1.85	0.33	0.000%	21.57	2.32	0.000%	2.32	23.89
2013	19.90	0.63	1.97	0.33	0.000%	22.83	2.47	0.000%	2.47	25.30
2014	21.19	0.66	2.11	0.33	0.000%	24.29	2.63	0.000%	2.63	26.92
2015	22.42	0.68	2.25	0.33	0.000%	25.68	2.80	0.000%	2.80	28.48
2016	23.79	0.72	2.41	0.33	0.000%	27.25	2.98	0.000%	2.98	30.23
2017	24.63	0.75	2.57	0.33	0.000%	28.28	3.17	0.000%	3.17	31.43



Table 2: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combined cycle, installed in 1996 can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combined Cycle

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$787.79	\$106.51	\$19.58	\$913.88

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 40 years

Tax Life: 20 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 3  
(Commonwealth Electric)  
Calculation of Avoided Capitalized Energy Costs

(a) Year	(b) Annual Nominal Revenue Requirement (\$/kw)	(c) Annual PV Revenue Requirement (\$/kw)	(d) Levelized Real Revenue Requirement (\$/kw)	(e) Levelized Real Revenue Requirement of Capacity (\$/kw)	(f) Levelized Capitalized Energy Costs (\$/kw)	(g) Avoided Capitalized Energy Cost (cents/kwh)
1988	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00
1996	207.84	184.85	104.08	59.21	44.87	0.63
1997	206.84	163.60	111.16	63.18	47.98	0.67
1998	202.68	142.58	118.53	67.48	51.35	0.72
1999	198.89	124.43	127.15	72.14	55.01	0.77
2000	195.57	108.82	136.05	77.12	58.93	0.82
2001	192.46	95.24	145.44	82.36	63.08	0.88
2002	190.09	83.68	155.47	87.88	67.59	0.94
2003	187.96	73.57	166.20	93.86	72.34	1.01
2004	186.05	64.77	177.67	100.15	77.52	1.08
2005	184.35	57.07	189.93	106.96	82.97	1.16
2006	182.91	50.38	203.03	114.23	88.80	1.24
2007	181.80	44.52	216.83	121.88	94.95	1.33
2008	180.97	39.41	231.36	129.80	101.56	1.42
2009	180.19	34.90	246.63	138.24	108.39	1.51
2010	180.34	31.07	262.90	147.09	115.81	1.62
2011	180.74	27.69	280.25	156.50	123.75	1.73
2012	181.49	24.73	298.74	166.51	132.23	1.85
2013	182.33	22.09	318.45	177.16	141.29	1.97
2014	183.52	19.78	339.48	188.50	150.96	2.11
2015	185.10	17.74	361.86	200.56	161.30	2.26
2016	187.08	15.95	385.74	213.39	172.35	2.41
2017	190.62	14.45	411.19	227.04	184.15	2.57
2018	195.72	13.20	438.32	241.57	196.75	2.75
2019	201.32	12.07	467.24	257.03	210.21	2.93
2020	207.45	11.06	498.07	273.48	224.59	3.13
2021	214.13	10.16	530.94	290.98	239.96	3.35
2022	221.42	9.34	565.98	309.60	256.38	3.58
2023	229.32	8.60	603.33	329.41	273.92	3.82
2024	237.92	7.94	643.14	350.49	292.65	4.08
2025	247.23	7.34	685.58	372.92	312.66	4.36
2026	257.30	6.79	730.82			
2027	268.21	6.30	779.05			
2028	279.98	5.84	830.46			
2029	292.70	5.43	885.26			
2030	306.40	5.06	943.00			
2031	321.18	4.72	1005.95			
2032	337.09	4.40	1072.33			
2033	354.19	4.11	1143.09			
2034	372.60	3.85	1218.52			
2035	392.37	3.60	1298.93			
SUMS	6084.35	1571.09	19329.11	5216.72	4204.30	

TABLE 4  
(Commonwealth Electric)  
Calculation of Capital Capacity Costs  
(Based on a New Utility Peaker)

(a) Year	(b) Book Value (\$/kw)	(c) Book Deprec. (\$/kw)	(d) Required Return (\$/kw)	(e) Federal & State Income Tax (\$/kw)	(f) Deferred Tax (\$/kw)	(g) Property Tax (\$/kw)	(h) Fixed O&M (\$/kw)	(i) Other Charges (\$/kw)	(j) Annual Nominal Revenue Requirement (\$/kw)
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	619.52	21.36	72.46	24.26	4.09	9.98	0.72	0.00	132.87
1997	598.16	21.36	70.78	13.78	13.90	9.98	0.77	0.00	130.57
1998	576.80	21.36	66.71	12.19	13.90	9.98	0.82	0.00	124.96
1999	555.44	21.36	62.66	13.06	11.45	9.98	0.89	0.00	119.40
2000	534.08	21.36	58.59	14.04	9.00	9.98	0.95	0.00	114.22
2001	512.72	21.36	55.40	15.13	6.54	9.98	1.02	0.00	109.43
2002	491.36	21.36	52.19	13.88	6.54	9.98	1.09	0.00	105.04
2003	470.00	21.36	48.98	12.61	6.54	9.98	1.17	0.00	100.64
2004	448.64	21.36	45.76	11.36	6.54	9.98	1.26	0.00	96.26
2005	427.28	21.36	42.56	10.10	6.54	9.98	1.35	0.00	91.89
2006	405.92	21.36	39.35	8.85	6.54	9.98	1.45	0.00	87.53
2007	384.56	21.36	36.14	7.59	6.54	9.98	1.56	0.00	83.17
2008	363.20	21.36	32.93	6.34	6.54	9.98	1.67	0.00	78.82
2009	341.84	21.36	29.73	5.09	6.54	9.98	1.79	0.00	74.49
2010	320.48	21.36	26.51	3.83	6.54	9.98	1.91	0.00	70.13
2011	299.12	21.36	23.30	12.39	-3.28	9.98	2.05	0.00	65.80
2012	277.76	21.36	21.23	16.48	-8.18	9.98	2.19	0.00	63.06
2013	256.40	21.36	19.71	15.89	-8.18	9.98	2.34	0.00	61.10
2014	235.04	21.36	18.19	15.30	-8.18	9.98	2.49	0.00	59.14
2015	214.00	21.36	16.68	14.70	-8.18	9.98	2.66	0.00	57.20
2016	193.00	21.36	15.16	14.11	-8.18	9.98	2.84	0.00	55.27
2017	172.00	21.36	13.64	13.51	-8.18	9.98	3.02	0.00	53.33
2018	151.00	21.36	12.13	12.93	-8.18	9.98	3.23	0.00	51.45
2019	130.00	21.36	10.61	12.33	-8.18	9.98	3.44	0.00	49.54
2020	109.00	21.36	9.10	11.74	-8.18	9.98	3.67	0.00	47.67
2021	88.00	21.36	7.58	11.15	-8.18	9.98	3.91	0.00	45.80
2022	67.00	21.36	6.06	10.55	-8.18	9.98	4.17	0.00	43.94
2023	46.00	21.36	4.55	9.96	-8.18	9.98	4.45	0.00	42.12
2024	25.00	21.36	3.04	9.36	-8.18	9.98	4.75	0.00	40.31
2025	4.00	21.36	1.51	8.78	-8.18	9.98	5.07	0.00	38.52
=====									
	SUMS	640.80	923.54	361.29	-0.06	299.40	68.70	0.00	2293.67

Table 4: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combustion turbine, installed in 1996, can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combustion Turbine

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$552.61	\$68.50	\$19.73	\$640.84

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 30 years

Tax Life: 15 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 5  
(Commonwealth Electric)  
Calculation of Avoided Capacity Costs

(a)	(b) Annual Nominal Revenue Requirement (\$/kw)	(c) Annual PV Revenue Requirement (\$/kw)	(d) Levelized Real Revenue Requirement of Capacity (\$/kw)	(e) Total Period Avoided Capacity Costs (cents/kwh)	(f) Peak Period Avoided Capacity Costs (cents/kwh)
Year					
1988	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00
1996	132.87	118.17	59.21	0.83	2.32
1997	130.57	103.28	63.18	0.88	2.48
1998	124.96	87.90	67.48	0.94	2.64
1999	119.40	74.70	72.14	1.01	2.83
2000	114.22	63.55	77.12	1.08	3.02
2001	109.43	54.15	82.36	1.15	3.23
2002	105.04	46.23	87.88	1.23	3.44
2003	100.64	39.39	93.86	1.31	3.68
2004	96.26	33.51	100.15	1.40	3.92
2005	91.89	28.45	106.96	1.49	4.19
2006	87.53	24.10	114.23	1.59	4.48
2007	83.17	20.37	121.88	1.70	4.78
2008	78.82	17.17	129.80	1.81	5.09
2009	74.49	14.43	138.24	1.93	5.42
2010	70.13	12.08	147.09	2.05	5.76
2011	65.80	10.08	156.50	2.18	6.13
2012	63.06	8.59	166.51	2.32	6.52
2013	61.10	7.40	177.16	2.47	6.94
2014	59.14	6.37	188.50	2.63	7.39
2015	57.20	5.48	200.56	2.80	7.86
2016	55.27	4.71	213.39	2.98	8.36
2017	53.33	4.04	227.04	3.17	8.90
2018	51.45	3.47	241.57	3.37	9.47
2019	49.54	2.97	257.03	3.59	10.07
2020	47.67	2.54	273.48	3.82	10.72
2021	45.80	2.17	290.98	4.06	11.40
2022	43.94	1.85	309.60	4.32	12.13
2023	42.12	1.58	329.41	4.60	12.91
2024	40.31	1.34	350.49	4.89	13.73
2025	38.52	1.14	372.92	5.20	14.61
SUMS	2293.67	801.21	5216.72		

**HIGH CASE**

**TABLES 1, 2, 3, 4, 5**



TABLE 1 : High Case  
(Commonwealth Electric)  
Total Period Long-Run Avoided Costs  
Excluding Losses

Total Period Avoided Energy Rates (cents/kwh)					Total Period Avoided Capacity Rates (cents/kwh)					(k) Total Period Avoided Cost Rate (cents/KWH)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Year	Avoided Fuel Cost	Avoided Variable O&M	Avoided Capital- ized Energy Costs	Avoided NEPEX Savings Share	Line Loss Factor	Avoided Energy Rate	Avoided Capacity Cost	Demand Loss Factor	Avoided Capacity Rate	
1988	4.75	0.12	0.00	0.33	0.000%	5.20	0.00	0.000%	0.00	
1989	4.94	0.09	0.00	0.33	0.000%	5.36	0.00	0.000%	0.00	
1990	5.06	0.07	0.00	0.33	0.000%	5.46	0.00	0.000%	0.00	
1991	5.10	0.05	0.00	0.33	0.000%	5.48	0.00	0.000%	0.00	
1992	6.12	0.06	0.00	0.33	0.000%	6.51	0.00	0.000%	0.00	
1993	7.23	0.10	0.00	0.33	0.000%	7.66	0.00	0.000%	0.00	
1994	8.85	0.13	0.00	0.33	0.000%	9.31	0.00	0.000%	0.00	
1995	10.38	0.15	0.00	0.33	0.000%	10.86	0.00	0.000%	0.00	
1996	10.06	0.21	0.63	0.33	0.000%	11.23	0.83	0.000%	0.83	
1997	11.18	0.24	0.67	0.33	0.000%	12.42	0.88	0.000%	0.88	
1998	12.17	0.26	0.72	0.33	0.000%	13.48	0.94	0.000%	0.94	
1999	13.09	0.30	0.77	0.33	0.000%	14.49	1.01	0.000%	1.01	
2000	14.28	0.31	0.82	0.33	0.000%	15.74	1.08	0.000%	1.08	
2001	15.70	0.32	0.88	0.33	0.000%	17.23	1.15	0.000%	1.15	
2002	17.26	0.34	0.94	0.33	0.000%	18.87	1.23	0.000%	1.23	
2003	18.72	0.36	1.01	0.33	0.000%	20.42	1.31	0.000%	1.31	
2004	20.18	0.38	1.08	0.33	0.000%	21.97	1.40	0.000%	1.40	
2005	21.34	0.39	1.16	0.33	0.000%	23.22	1.49	0.000%	1.49	
2006	23.04	0.41	1.24	0.33	0.000%	25.02	1.59	0.000%	1.59	
2007	25.64	0.45	1.33	0.33	0.000%	27.75	1.70	0.000%	1.70	
2008	27.69	0.49	1.42	0.33	0.000%	29.93	1.81	0.000%	1.81	
2009	29.40	0.50	1.51	0.33	0.000%	31.74	1.93	0.000%	1.93	
2010	31.74	0.52	1.62	0.33	0.000%	34.21	2.05	0.000%	2.05	
2011	33.03	0.56	1.73	0.33	0.000%	35.65	2.18	0.000%	2.18	
2012	36.17	0.58	1.85	0.33	0.000%	38.93	2.32	0.000%	2.32	
2013	37.88	0.63	1.97	0.33	0.000%	40.81	2.47	0.000%	2.47	
2014	40.06	0.66	2.11	0.33	0.000%	43.16	2.63	0.000%	2.63	
2015	41.83	0.68	2.25	0.33	0.000%	45.09	2.80	0.000%	2.80	
2016	44.15	0.72	2.41	0.33	0.000%	47.61	2.98	0.000%	2.98	
2017	46.04	0.75	2.57	0.33	0.000%	49.69	3.17	0.000%	3.17	

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Year	Book Value (\$/kw)	Book Deprec. (\$/kw)	Required Return (\$/kw)	Federal & State Income Tax (\$/kw)	Deferred Tax (\$/kw)	Property Tax (\$/kw)	Fixed O&M (\$/kw)	Other Charges (\$/kw)	Annual Nominal Revenue Requirement (\$/kw)
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	891.15	22.85	103.78	35.35	5.25	14.23	26.38	0.00	207.84
1997	868.30	22.85	101.87	24.10	15.75	14.23	28.04	0.00	206.84
1998	845.45	22.85	97.43	22.36	15.75	14.23	30.06	0.00	202.68
1999	822.60	22.85	92.99	24.13	12.25	14.23	32.44	0.00	198.89
2000	799.75	22.85	88.95	22.55	12.25	14.23	34.74	0.00	195.57
2001	776.90	22.85	84.92	24.47	8.75	14.23	37.24	0.00	192.46
2002	754.05	22.85	81.28	23.05	8.75	14.23	39.93	0.00	190.09
2003	731.20	22.85	77.65	21.63	8.75	14.23	42.85	0.00	187.96
2004	708.35	22.85	74.02	20.21	8.75	14.23	45.99	0.00	186.05
2005	685.50	22.85	70.38	18.78	8.75	14.23	49.36	0.00	184.35
2006	662.65	22.85	66.75	17.36	8.75	14.23	52.97	0.00	182.91
2007	639.80	22.85	63.12	15.94	8.75	14.23	56.91	0.00	181.80
2008	616.95	22.85	59.48	14.52	8.75	14.23	61.14	0.00	180.97
2009	594.10	22.85	55.85	16.60	5.25	14.23	65.41	0.00	180.19
2010	571.25	22.85	52.62	15.33	5.25	14.23	70.06	0.00	180.34
2011	548.40	22.85	49.39	14.07	5.25	14.23	74.95	0.00	180.74
2012	525.55	22.85	46.16	12.81	5.25	14.23	80.19	0.00	181.49
2013	502.70	22.85	42.93	11.54	5.25	14.23	85.53	0.00	182.33
2014	479.85	22.85	39.69	10.28	5.25	14.23	91.22	0.00	183.52
2015	457.00	22.85	36.46	9.01	5.25	14.23	97.30	0.00	185.10
2016	434.15	22.85	33.23	14.75	-1.75	14.23	103.77	0.00	187.08
2017	411.30	22.85	30.81	20.80	-8.75	14.23	110.68	0.00	190.62
2018	388.45	22.85	29.18	20.16	-8.75	14.23	118.05	0.00	195.72
2019	365.60	22.85	27.50	19.53	-8.75	14.23	125.90	0.00	201.32
2020	342.75	22.85	25.94	18.90	-8.75	14.23	134.28	0.00	207.45
2021	319.90	22.85	24.32	18.26	-8.75	14.23	143.22	0.00	214.13
2022	297.05	22.85	22.70	17.63	-8.75	14.23	152.76	0.00	221.42
2023	274.20	22.85	21.08	16.99	-8.75	14.23	162.92	0.00	229.32
2024	251.35	22.85	19.46	16.36	-8.75	14.23	173.77	0.00	237.92
2025	228.50	22.85	17.84	15.72	-8.75	14.23	185.34	0.00	247.23
2026	205.65	22.85	16.21	15.09	-8.75	14.23	197.67	0.00	257.30
2027	182.80	22.85	14.59	14.46	-8.75	14.23	210.83	0.00	268.21
2028	159.95	22.85	12.97	13.82	-8.75	14.23	224.86	0.00	279.98
2029	137.10	22.85	11.35	13.19	-8.75	14.23	239.83	0.00	292.70
2030	114.25	22.85	9.73	12.55	-8.75	14.23	255.79	0.00	306.40
2031	91.40	22.85	8.11	11.92	-8.75	14.23	272.82	0.00	321.18
2032	68.55	22.85	6.49	11.29	-8.75	14.23	290.98	0.00	337.09
2033	45.70	22.85	4.86	10.65	-8.75	14.23	310.35	0.00	354.19
2034	22.85	22.85	3.24	10.02	-8.75	14.23	331.01	0.00	372.60
2035	0.00	22.85	1.62	9.38	-8.75	14.23	353.04	0.00	392.37
SUMS		914.00	1727.01	675.56	0.00	569.20	5200.58	0.00	9086.35

Table 2: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combined cycle, installed in 1996 can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combined Cycle

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$787.79	\$106.51	\$19.58	\$913.88

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 40 years

Tax Life: 20 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 3  
(Commonwealth Electric)  
Calculation of Avoided Capitalized Energy Costs

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Year	Annual Nominal Revenue Requirement (\$/kw)	Annual PV Revenue Requirement (\$/kw)	Levelized Real Revenue Requirement (\$/kw)	Levelized Real Revenue Requirement (\$/kw)	Levelized Capitalized Energy Costs (\$/kw)	Avoided Capitalized Energy Cost (cents/kwh)
1988	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00
1996	207.84	184.86	104.08	59.21	44.87	0.63
1997	206.84	163.60	111.16	63.18	47.98	0.67
1998	202.68	142.58	118.83	67.48	51.35	0.72
1999	198.89	124.43	127.15	72.14	55.01	0.77
2000	195.57	108.82	136.05	77.12	58.93	0.82
2001	192.46	95.24	145.44	82.36	63.08	0.88
2002	190.09	83.66	155.47	87.88	67.59	0.94
2003	187.96	73.67	166.20	93.86	72.34	1.01
2004	186.05	64.77	177.67	100.15	77.52	1.08
2005	184.35	57.07	189.93	106.96	82.97	1.16
2006	182.91	50.36	203.03	114.23	88.80	1.24
2007	181.80	44.52	218.83	121.88	94.95	1.33
2008	180.97	39.41	231.36	129.80	101.56	1.42
2009	180.19	34.90	246.63	138.24	108.39	1.51
2010	180.34	31.07	262.90	147.09	115.81	1.62
2011	180.74	27.69	280.25	156.50	123.75	1.73
2012	181.49	24.73	298.74	166.51	132.23	1.85
2013	182.33	22.09	318.45	177.16	141.29	1.97
2014	183.52	19.78	339.46	188.50	150.96	2.11
2015	185.10	17.74	361.86	200.56	161.30	2.25
2016	187.08	15.95	385.74	213.39	172.35	2.41
2017	190.62	14.45	411.19	227.04	184.15	2.57
2018	195.72	13.20	438.32	241.57	196.75	2.75
2019	201.32	12.07	467.24	257.03	210.21	2.93
2020	207.45	11.06	498.07	273.48	224.59	3.13
2021	214.13	10.16	530.94	290.98	239.96	3.35
2022	221.42	9.34	565.98	309.60	256.38	3.58
2023	229.32	8.60	603.33	329.41	273.92	3.82
2024	237.92	7.94	643.14	350.49	292.65	4.08
2025	247.23	7.34	685.58	372.92	312.66	
2026	257.30	6.79	730.82			
2027	268.21	6.30	779.05			
2028	279.98	5.84	830.46			
2029	292.70	5.43	885.26			
2030	306.40	5.06	943.68			
2031	321.18	4.72	1005.95			
2032	337.09	4.40	1072.33			
2033	354.19	4.11	1143.09			
2034	372.60	3.85	1218.52			
2035	392.37	3.60	1298.93			
SUMS	9086.35	1571.09	19329.11	5216.72	4204.30	

TABLE 4  
(Commonwealth Electric)  
Calculation of Capital Capacity Costs  
(Based on a New Utility Peaker)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Year	Book Value (\$/kw)	Book Deprec. (\$/kw)	Required Return (\$/kw)	Federal & State Income Tax (\$/kw)	Deferred Tax (\$/kw)	Property Tax (\$/kw)	Fixed O&M (\$/kw)	Other Charges (\$/kw)	Annual Nominal Revenue Requirement (\$/kw)
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	619.52	21.36	72.46	24.26	4.09	9.98	0.72	0.00	132.87
1997	598.16	21.36	70.78	13.78	13.90	9.98	0.77	0.00	130.57
1998	576.80	21.36	66.71	12.19	13.90	9.98	0.82	0.00	124.96
1999	555.44	21.36	62.66	13.06	11.45	9.98	0.89	0.00	119.40
2000	534.08	21.36	58.89	14.04	9.00	9.98	0.95	0.00	114.22
2001	512.72	21.36	55.40	15.13	6.54	9.98	1.02	0.00	109.43
2002	491.36	21.36	52.19	13.88	6.54	9.98	1.09	0.00	105.04
2003	470.00	21.36	48.98	12.61	6.54	9.98	1.17	0.00	100.64
2004	448.64	21.36	45.76	11.36	6.54	9.98	1.26	0.00	96.26
2005	427.28	21.36	42.56	10.10	6.54	9.98	1.35	0.00	91.89
2006	405.92	21.36	39.35	8.85	6.54	9.98	1.45	0.00	87.53
2007	384.56	21.36	36.14	7.59	6.54	9.98	1.56	0.00	83.17
2008	363.20	21.36	32.93	6.34	6.54	9.98	1.67	0.00	78.82
2009	341.84	21.36	29.73	5.09	6.54	9.98	1.79	0.00	74.49
2010	320.48	21.36	26.51	3.83	6.54	9.98	1.91	0.00	70.13
2011	299.12	21.36	23.30	12.39	-3.28	9.98	2.05	0.00	65.80
2012	277.76	21.36	21.23	16.48	-8.18	9.98	2.19	0.00	63.06
2013	256.40	21.36	19.71	15.89	-8.18	9.98	2.34	0.00	61.10
2014	235.04	21.36	18.19	15.30	-8.18	9.98	2.49	0.00	59.14
2015	214.00	21.36	16.68	14.70	-8.18	9.98	2.66	0.00	57.20
2016	193.00	21.36	15.16	14.11	-8.18	9.98	2.84	0.00	55.27
2017	172.00	21.36	13.64	13.51	-8.18	9.98	3.02	0.00	53.33
2018	151.00	21.36	12.13	12.93	-8.18	9.98	3.23	0.00	51.45
2019	130.00	21.36	10.61	12.33	-8.18	9.98	3.44	0.00	49.54
2020	109.00	21.36	9.10	11.74	-8.18	9.98	3.67	0.00	47.67
2021	88.00	21.36	7.58	11.15	-8.18	9.98	3.91	0.00	45.80
2022	67.00	21.36	6.06	10.56	-8.18	9.98	4.17	0.00	43.94
2023	46.00	21.36	4.55	9.96	-8.18	9.98	4.45	0.00	42.12
2024	25.00	21.36	3.04	9.36	-8.18	9.98	4.75	0.00	40.31
2025	4.00	21.36	1.51	8.78	-8.18	9.98	5.07	0.00	38.52
=====									=====
	SUMS	640.80	923.54	361.29	-0.06	299.40	68.70	0.00	2293.67

Table 4: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combustion turbine, installed in 1996, can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combustion Turbine

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$552.61	\$68.50	\$19.73	\$640.84

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 30 years

Tax Life: 15 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 5  
(Commonwealth Electric)  
Calculation of Avoided Capacity Costs

(a)	(b) Annual Nominal Revenue Requirement (\$/kw)	(c) Annual PV Revenue Requirement (\$/kw)	(d) Levelized Real Revenue Requirement of Capacity (\$/kw)	(e) Total Period Avoided Capacity Costs (cents/kwh)	(f) Peak Period Avoided Capacity Costs (cents/kwh)
Year					
1988	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00
1996	132.87	118.17	59.21	0.83	2.32
1997	130.57	103.28	63.18	0.88	2.48
1998	124.96	87.90	67.48	0.94	2.64
1999	119.40	74.70	72.14	1.01	2.83
2000	114.22	63.55	77.12	1.08	3.02
2001	109.43	54.15	82.36	1.15	3.23
2002	105.04	46.23	87.88	1.23	3.44
2003	100.64	39.39	93.86	1.31	3.68
2004	96.26	33.51	100.15	1.40	3.92
2005	91.89	28.45	106.96	1.49	4.19
2006	87.53	24.10	114.23	1.59	4.48
2007	83.17	20.37	121.88	1.70	4.78
2008	78.82	17.17	129.80	1.81	5.09
2009	74.49	14.43	138.24	1.93	5.42
2010	70.13	12.08	147.09	2.05	5.76
2011	65.80	10.08	156.50	2.18	6.13
2012	63.06	8.59	166.51	2.32	6.52
2013	61.10	7.40	177.16	2.47	6.94
2014	59.14	6.37	188.50	2.63	7.39
2015	57.20	5.48	200.56	2.80	7.88
2016	55.27	4.71	213.39	2.98	8.36
2017	53.33	4.04	227.04	3.17	8.90
2018	51.45	3.47	241.57	3.37	9.47
2019	49.54	2.97	257.03	3.59	10.07
2020	47.67	2.54	273.48	3.82	10.72
2021	45.80	2.17	290.98	4.06	11.40
2022	43.94	1.85	309.60	4.32	12.13
2023	42.12	1.58	329.41	4.60	12.91
2024	40.31	1.34	350.49	4.89	13.73
2025	38.52	1.14	372.92	5.20	14.61
	=====	=====	=====		
SUMS	2293.67	801.21	5216.72		

**LOW CASE**

**TABLES 1, 2, 3, 4, 5**



TABLE 1 : Low Case  
(Commonwealth Electric)  
Total Period Long-Run Avoided Costs  
Excluding Losses

(a) Year	Total Period Avoided Energy Rates (cents/kwh)				(f) Avoided NEPEX Savings Share	(g) Avoided Energy Rate	Total Period Avoided Capacity Rates (cents/kwh)		(k) Total Period Avoided Cost Rate (cents/KWH)
	(b) Avoided Fuel Cost	(c) Avoided Variable O&M	(d) Avoided Capital- ized Energy Costs	(e) Line Loss Factor			(h) Avoided Capacity Cost	(i) Demand Loss Factor	
1988	2.44	0.11	0.00	0.33	0.000%	2.88	0.00	0.000%	2.88
1989	1.95	0.08	0.00	0.33	0.000%	2.36	0.00	0.000%	2.36
1990	2.02	0.07	0.00	0.33	0.000%	2.42	0.00	0.000%	2.42
1991	1.84	0.05	0.00	0.33	0.000%	2.22	0.00	0.000%	2.22
1992	1.99	0.06	0.00	0.33	0.000%	2.38	0.00	0.000%	2.38
1993	2.17	0.09	0.00	0.33	0.000%	2.59	0.00	0.000%	2.59
1994	2.56	0.13	0.00	0.33	0.000%	3.02	0.00	0.000%	3.02
1995	2.92	0.15	0.00	0.33	0.000%	3.40	0.00	0.000%	3.40
1996	2.54	0.20	0.63	0.33	0.000%	3.70	0.83	0.000%	4.53
1997	2.74	0.23	0.67	0.33	0.000%	3.97	0.88	0.000%	4.85
1998	2.83	0.25	0.72	0.33	0.000%	4.13	0.94	0.000%	5.07
1999	2.99	0.28	0.77	0.33	0.000%	4.37	1.01	0.000%	5.38
2000	3.37	0.29	0.82	0.33	0.000%	4.81	1.08	0.000%	5.89
2001	3.76	0.30	0.88	0.33	0.000%	5.27	1.15	0.000%	6.42
2002	4.33	0.31	0.94	0.33	0.000%	5.91	1.23	0.000%	7.14
2003	4.69	0.33	1.01	0.33	0.000%	6.36	1.31	0.000%	7.67
2004	5.33	0.35	1.08	0.33	0.000%	7.09	1.40	0.000%	8.49
2005	5.67	0.36	1.16	0.33	0.000%	7.52	1.49	0.000%	9.01
2006	6.29	0.38	1.24	0.33	0.000%	8.24	1.59	0.000%	9.83
2007	7.41	0.43	1.33	0.33	0.000%	9.50	1.70	0.000%	11.20
2008	8.35	0.47	1.42	0.33	0.000%	10.57	1.81	0.000%	12.38
2009	9.19	0.48	1.51	0.33	0.000%	11.51	1.93	0.000%	13.44
2010	10.13	0.51	1.62	0.33	0.000%	12.59	2.05	0.000%	14.64
2011	10.84	0.56	1.73	0.33	0.000%	13.46	2.18	0.000%	15.64
2012	12.33	0.57	1.85	0.33	0.000%	15.08	2.32	0.000%	17.40
2013	13.42	0.62	1.97	0.33	0.000%	16.34	2.47	0.000%	18.81
2014	14.68	0.64	2.11	0.33	0.000%	17.76	2.63	0.000%	20.39
2015	15.83	0.67	2.25	0.33	0.000%	19.08	2.80	0.000%	21.88
2016	17.10	0.70	2.41	0.33	0.000%	20.54	2.98	0.000%	23.52
2017	18.18	0.75	2.57	0.33	0.000%	21.83	3.17	0.000%	25.00

TABLE 2  
(Commonwealth Electric)  
Calculation of Capital Costs of Next Supply Addition

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Year	Book Value (\$/kw)	Book Deprec. (\$/kw)	Required Return (\$/kw)	Federal & State Income Tax (\$/kw)	Deferred Tax (\$/kw)	Property Tax (\$/kw)	Fixed O&M (\$/kw)	Other Charges (\$/kw)	Annual Nominal Revenue Requirement (\$/kw)
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	891.15	22.85	103.78	35.35	5.25	14.23	26.38	0.00	207.84
1997	868.30	22.85	101.67	24.10	15.75	14.23	28.04	0.00	206.84
1998	845.45	22.85	97.43	22.36	15.75	14.23	30.06	0.00	202.68
1999	822.60	22.85	92.99	22.13	12.25	14.23	32.44	0.00	198.89
2000	799.75	22.85	88.95	22.55	12.25	14.23	34.74	0.00	195.57
2001	776.90	22.85	84.92	24.47	8.75	14.23	37.24	0.00	192.46
2002	754.05	22.85	81.28	23.05	8.75	14.23	39.93	0.00	190.09
2003	731.20	22.85	77.65	21.63	8.75	14.23	42.85	0.00	187.96
2004	708.35	22.85	74.02	20.21	8.75	14.23	45.99	0.00	186.05
2005	685.50	22.85	70.38	18.78	8.75	14.23	49.38	0.00	184.35
2006	662.65	22.85	66.75	17.36	8.75	14.23	52.97	0.00	182.91
2007	639.80	22.85	63.12	15.94	8.75	14.23	56.91	0.00	181.80
2008	616.95	22.85	59.48	14.52	8.75	14.23	61.14	0.00	180.97
2009	594.10	22.85	55.85	13.10	5.25	14.23	65.41	0.00	180.19
2010	571.25	22.85	52.22	11.68	5.25	14.23	70.08	0.00	180.34
2011	548.40	22.85	48.59	10.26	5.25	14.23	74.95	0.00	180.74
2012	525.55	22.85	44.96	8.84	5.25	14.23	80.19	0.00	181.49
2013	502.70	22.85	41.33	7.42	5.25	14.23	85.53	0.00	182.33
2014	479.85	22.85	37.70	6.00	5.25	14.23	91.22	0.00	183.52
2015	457.00	22.85	34.07	4.58	5.25	14.23	97.30	0.00	185.10
2016	434.15	22.85	30.44	3.16	-1.75	14.23	103.77	0.00	187.08
2017	411.30	22.85	26.81	1.74	-8.75	14.23	110.68	0.00	190.62
2018	388.45	22.85	23.18	0.32	-8.75	14.23	118.05	0.00	195.72
2019	365.60	22.85	19.55	-1.10	-8.75	14.23	125.90	0.00	201.32
2020	342.75	22.85	15.92	-2.48	-8.75	14.23	134.28	0.00	207.45
2021	319.90	22.85	12.29	-3.86	-8.75	14.23	143.22	0.00	214.13
2022	297.05	22.85	8.66	-5.24	-8.75	14.23	152.78	0.00	221.42
2023	274.20	22.85	5.03	-6.62	-8.75	14.23	162.92	0.00	229.32
2024	251.35	22.85	1.40	-8.00	-8.75	14.23	173.77	0.00	237.92
2025	228.50	22.85	-2.23	-9.38	-8.75	14.23	185.34	0.00	247.23
2026	205.65	22.85	-5.86	-10.76	-8.75	14.23	197.67	0.00	257.30
2027	182.80	22.85	-9.44	-12.14	-8.75	14.23	210.83	0.00	268.21
2028	159.95	22.85	-13.02	-13.52	-8.75	14.23	224.88	0.00	279.98
2029	137.10	22.85	-16.60	-14.90	-8.75	14.23	239.83	0.00	292.70
2030	114.25	22.85	-20.18	-16.28	-8.75	14.23	255.79	0.00	306.40
2031	91.40	22.85	-23.76	-17.66	-8.75	14.23	272.82	0.00	321.18
2032	68.55	22.85	-27.34	-19.04	-8.75	14.23	290.98	0.00	337.09
2033	45.70	22.85	-30.92	-20.42	-8.75	14.23	310.35	0.00	354.19
2034	22.85	22.85	-34.50	-21.80	-8.75	14.23	331.01	0.00	372.60
2035	0.00	22.85	-38.08	-23.18	-8.75	14.23	353.04	0.00	392.37
SUMS	914.00		1727.01	675.56	0.00	569.20	5200.58	0.00	9086.35

Table 2: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combined cycle, installed in 1996 can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combined Cycle

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$787.79	\$106.51	\$19.58	\$913.88

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 40 years

Tax Life: 20 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 3  
(Commonwealth Electric)  
Calculation of Avoided Capitalized Energy Costs

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Year	Annual Nominal Revenue Requirement (\$/kw)	Annual PV Revenue Requirement (\$/kw)	Levelized Real Revenue Requirement (\$/kw)	Levelized Real Revenue Requirement of Capacity (\$/kw)	Levelized Real Capitalized Energy Costs (\$/kw)	Avoided Capitalized Energy Cost (cents/kwh)
1988	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00
1996	207.84	184.85	104.08	59.21	44.87	0.63
1997	206.84	163.60	111.16	63.18	47.98	0.67
1998	202.68	142.58	118.83	67.48	51.35	0.72
1999	198.89	124.43	127.15	72.14	55.01	0.77
2000	195.57	108.82	136.05	77.12	58.93	0.82
2001	192.46	95.24	145.44	82.38	63.08	0.88
2002	190.09	83.66	155.47	87.88	67.59	0.94
2003	187.96	73.57	166.20	93.86	72.34	1.01
2004	186.05	64.77	177.67	100.15	77.52	1.08
2005	184.35	57.07	189.93	106.96	82.97	1.16
2006	182.91	50.36	203.03	114.23	88.80	1.24
2007	181.80	44.52	216.83	121.88	94.95	1.33
2008	180.97	39.41	231.38	129.80	101.56	1.42
2009	180.19	34.90	246.63	138.24	108.39	1.51
2010	180.34	31.07	262.90	147.09	115.81	1.62
2011	180.74	27.69	280.25	156.50	123.75	1.73
2012	181.49	24.73	298.74	166.51	132.23	1.85
2013	182.33	22.09	318.45	177.18	141.29	1.97
2014	183.52	19.78	339.46	188.50	150.96	2.11
2015	185.10	17.74	361.88	200.56	161.30	2.25
2016	187.08	15.95	385.74	213.39	172.35	2.41
2017	190.62	14.45	411.19	227.04	184.15	2.57
2018	195.72	13.20	438.32	241.57	196.75	2.75
2019	201.32	12.07	467.24	257.03	210.21	2.93
2020	207.45	11.06	498.07	273.48	224.59	3.13
2021	214.13	10.16	530.94	290.98	239.96	3.35
2022	221.42	9.34	565.98	309.60	256.38	3.58
2023	229.32	8.60	603.33	329.41	273.92	3.82
2024	237.92	7.94	643.14	350.49	292.65	4.08
2025	247.23	7.34	685.58	372.92	312.66	4.36
2026	257.30	6.79	730.82			
2027	268.21	6.30	779.05			
2028	279.98	5.84	830.46			
2029	292.70	5.43	885.26			
2030	306.40	5.06	943.68			
2031	321.18	4.72	1005.95			
2032	337.09	4.40	1072.33			
2033	354.19	4.11	1143.09			
2034	372.60	3.85	1218.52			
2035	392.37	3.60	1298.93			
SUMS	9086.35	1571.09	19329.11	5216.72	4204.30	

TABLE 4  
(Commonwealth Electric)  
Calculation of Capital Capacity Costs  
(Based on a New Utility Peaker)

(a) Year	(b) Book Value (\$/kw)	(c) Book Deprec. (\$/kw)	(d) Required Return (\$/kw)	(e) Federal & State Income Tax (\$/kw)	(f) Deferred Tax (\$/kw)	(g) Property Tax (\$/kw)	(h) Fixed O&M (\$/kw)	(i) Other Charges (\$/kw)	(j) Annual Nominal Revenue Requirement (\$/kw)
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1996	619.52	21.36	72.46	24.26	4.09	9.98	0.72	0.00	132.87
1997	598.16	21.36	70.78	13.78	13.90	9.98	0.77	0.00	130.57
1998	576.80	21.36	66.71	12.19	13.90	9.98	0.82	0.00	124.96
1999	555.44	21.36	62.66	13.06	11.45	9.98	0.89	0.00	119.40
2000	534.08	21.36	58.89	14.04	9.00	9.98	0.95	0.00	114.22
2001	512.72	21.36	55.40	15.13	6.54	9.98	1.02	0.00	109.43
2002	491.36	21.36	52.19	13.88	6.54	9.98	1.09	0.00	105.04
2003	470.00	21.36	48.98	12.61	6.54	9.98	1.17	0.00	100.64
2004	448.64	21.36	45.76	11.36	6.54	9.98	1.26	0.00	96.26
2005	427.28	21.36	42.56	10.10	6.54	9.98	1.35	0.00	91.89
2006	405.92	21.36	39.35	8.85	6.54	9.98	1.45	0.00	87.53
2007	384.56	21.36	36.14	7.59	6.54	9.98	1.56	0.00	83.17
2008	363.20	21.36	32.93	6.34	6.54	9.98	1.67	0.00	78.82
2009	341.84	21.36	29.73	5.09	6.54	9.98	1.79	0.00	74.49
2010	320.48	21.36	26.51	3.83	6.54	9.98	1.91	0.00	70.13
2011	299.12	21.36	23.30	12.39	-3.28	9.98	2.05	0.00	65.80
2012	277.76	21.36	21.23	16.48	-8.18	9.98	2.19	0.00	63.06
2013	256.40	21.36	19.71	15.89	-8.18	9.98	2.34	0.00	61.10
2014	235.04	21.36	18.19	15.30	-8.18	9.98	2.49	0.00	59.14
2015	214.00	21.36	16.68	14.70	-8.18	9.98	2.66	0.00	57.20
2016	193.00	21.36	15.16	14.11	-8.18	9.98	2.84	0.00	55.27
2017	172.00	21.36	13.64	13.51	-8.18	9.98	3.02	0.00	53.33
2018	151.00	21.36	12.13	12.93	-8.18	9.98	3.23	0.00	51.45
2019	130.00	21.36	10.61	12.33	-8.18	9.98	3.44	0.00	49.54
2020	109.00	21.36	9.10	11.74	-8.18	9.98	3.67	0.00	47.67
2021	88.00	21.36	7.58	11.15	-8.18	9.98	3.91	0.00	45.80
2022	67.00	21.36	6.06	10.55	-8.18	9.98	4.17	0.00	43.94
2023	46.00	21.36	4.55	9.96	-8.18	9.98	4.45	0.00	42.12
2024	25.00	21.36	3.04	9.36	-8.18	9.98	4.75	0.00	40.31
2025	4.00	21.36	1.51	8.78	-8.18	9.98	5.07	0.00	38.52
=====									=====
	SUMS	640.80	923.54	361.29	-0.06	299.40	68.70	0.00	2293.67

Table 4: Additional Information

(1) Document direct expenditures and AFUDC.

Response:

The cost of a combustion turbine, installed in 1996, can be broken up into the following components, assuming an AFUDC rate of 9.75%:

1996 Costs of  
a Combustion Turbine

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Direct (\$/kw)	AFUDC (\$/kw)	T&D (\$/kw)	Total (\$/kw)
\$552.61	\$68.50	\$19.73	\$640.84

(2) Document the tax calculations and assumptions.

Response:

The "Engineering Economic Analysis Package" (ECAN), a model produced by The United Illuminating Company, was the model used to produce the tax information. The tax calculations used by the model are not accessible.

In addition to the information provided on the Financial and Rating Period Assumptions sheet the following assumptions were needed for the tax calculations:

Book Life: 30 years

Tax Life: 15 years

Book Depreciation Method: Straight Line

Tax Depreciation Method: ACRS

(3) Completely document all "Other Charges".

Response:

N/A

TABLE 5  
(Commonwealth Electric)  
Calculation of Avoided Capacity Costs

(a) Year	(b) Annual Nominal Revenue Requirement (\$/kw)	(c) Annual PV Revenue Requirement (\$/kw)	(d) Levelized Real Revenue Requirement of Capacity (\$/kw)	(e) Total Period Avoided Capacity Costs (cents/kwh)	(f) Peak Period Avoided Capacity Costs (cents/kwh)
1988	0.00	0.00	0.00	0.00	0.00
1989	0.00	0.00	0.00	0.00	0.00
1990	0.00	0.00	0.00	0.00	0.00
1991	0.00	0.00	0.00	0.00	0.00
1992	0.00	0.00	0.00	0.00	0.00
1993	0.00	0.00	0.00	0.00	0.00
1994	0.00	0.00	0.00	0.00	0.00
1995	0.00	0.00	0.00	0.00	0.00
1996	132.87	118.17	59.21	0.83	2.32
1997	130.57	103.28	63.18	0.88	2.48
1998	124.96	87.90	67.48	0.94	2.64
1999	119.40	74.70	72.14	1.01	2.83
2000	114.22	63.55	77.12	1.08	3.02
2001	109.43	54.15	82.36	1.15	3.23
2002	105.04	46.23	87.88	1.23	3.44
2003	100.64	39.39	93.86	1.31	3.68
2004	96.26	33.51	100.15	1.40	3.92
2005	91.89	28.45	106.96	1.49	4.19
2006	87.53	24.10	114.23	1.59	4.48
2007	83.17	20.37	121.88	1.70	4.78
2008	78.82	17.17	129.80	1.81	5.09
2009	74.49	14.43	138.24	1.93	5.42
2010	70.13	12.08	147.09	2.05	5.76
2011	65.80	10.08	156.50	2.18	6.13
2012	63.06	8.59	166.51	2.32	6.52
2013	61.10	7.40	177.16	2.47	6.94
2014	59.14	6.37	188.50	2.63	7.39
2015	57.20	5.48	200.56	2.80	7.86
2016	55.27	4.71	213.39	2.98	8.36
2017	53.33	4.04	227.04	3.17	8.90
2018	51.45	3.47	241.57	3.37	9.47
2019	49.54	2.97	257.03	3.59	10.07
2020	47.67	2.54	273.48	3.82	10.72
2021	45.80	2.17	290.98	4.06	11.40
2022	43.94	1.85	309.60	4.32	12.13
2023	42.12	1.58	329.41	4.60	12.91
2024	40.31	1.34	350.49	4.89	13.73
2025	38.52	1.14	372.92	5.20	14.61
SUMS	2293.67	801.21	5216.72		

**SCHEDULES**



Commonwealth Electric Company and Northeast Energy Associates  
Size of Entitlement: 21 MW  
Capacity Factor: 85%  
Base Case Oil and Gas Assumptions - DRI, February 1988

Year	(1) Energy kwh	(2) NEA Contract Rate cts/kwh	(3) Second Decr. Avoided Costs	(4) Total Contract Payment \$/kwh	(5) Total Avoided Costs \$/kwh
	(21,000*.85 *8760)			(1) * (2) / 100	(1) * (3) / 100
1 1989	0	0.00	3.78	\$0	\$0
2 1990	156,366,000	3.45	3.76	\$5,394,627	\$5,879,362
3 1991	156,366,000	3.96	3.76	\$6,192,094	\$5,754,269
4 1992	156,366,000	4.50	4.14	\$7,036,470	\$6,473,552
5 1993	156,366,000	4.84	4.52	\$7,568,114	\$7,067,743
6 1994	156,366,000	5.20	5.26	\$8,131,032	\$8,224,852
7 1995	156,366,000	5.59	5.80	\$8,740,859	\$9,069,228
8 1996	156,366,000	6.01	6.77	\$9,397,697	\$10,585,978
9 1997	156,366,000	6.46	7.31	\$10,101,244	\$11,430,355
10 1998	156,366,000	6.94	7.88	\$10,851,800	\$12,321,641
11 1999	156,366,000	7.47	8.63	\$11,680,540	\$13,494,386
12 2000	156,366,000	8.03	9.51	\$12,556,190	\$14,870,407
13 2001	156,366,000	8.63	10.52	\$13,494,386	\$16,449,703
14 2002	156,366,000	9.27	11.68	\$14,495,128	\$18,263,549
15 2003	156,366,000	9.97	12.86	\$15,589,690	\$20,108,668
16 2004	156,366,000	10.72	14.03	\$16,762,435	\$21,938,150
17 2005	156,366,000	11.52	14.89	\$18,013,363	\$23,282,897
18 2006	156,366,000	12.39	16.02	\$19,373,747	\$25,049,833
19 2007	156,366,000	13.31	17.60	\$20,812,315	\$27,520,416
20 2008	156,366,000	14.31	18.78	\$22,375,975	\$29,365,535
21 2009	156,366,000	15.39	19.73	\$24,064,727	\$30,851,012
22 2010	156,366,000	16.54	21.00	\$25,862,936	\$32,836,860
23 2011	156,366,000	17.78	21.87	\$27,801,875	\$34,197,244
24 2012	156,366,000	19.11	23.89	\$29,881,543	\$37,355,837
25 2013	156,366,000	20.54	25.30	\$32,117,576	\$39,560,598
26 2014	156,366,000	22.08	26.92	\$34,525,613	\$42,093,727
Totals:				\$412,821,877	\$504,045,801

## Commonwealth Electric Company and Northeast Energy Associates

Size of Entitlement: 21 MW

Capacity Factor: 85%

Base Case Oil and Gas Assumptions - DRI, February 1988

Discount Rate for Present Value Calculations: 12.44%

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Energy kwh	NEA Contract Rate cts/kwh	Second Decr. Avoided Costs	PV of Payment \$/kwh	PV of Avoided Costs \$/kwh	Pres. Value Difference
	(21,000*.85 *8760)			$[(1)*(2)/100] / [(1+.1244)^n]$	$[(1)*(3)/100] / [(1+.1244)^n]$	(5) - (4)
1989	0	0.00	3.78	\$0	\$0	\$0
1 1990	156,366,000	3.45	3.76	\$4,266,972	\$4,650,381	\$383,409
2 1991	156,366,000	3.96	3.68	\$4,355,871	\$4,047,880	-\$307,991
3 1992	156,366,000	4.50	4.14	\$4,402,217	\$4,050,040	-\$352,177
4 1993	156,366,000	4.84	4.52	\$4,210,983	\$3,932,571	-\$278,412
5 1994	156,366,000	5.20	5.28	\$4,023,654	\$4,070,081	\$46,427
6 1995	156,366,000	5.59	5.80	\$3,846,877	\$3,991,393	\$144,516
7 1996	156,366,000	6.01	6.77	\$3,678,325	\$4,143,471	\$465,146
8 1997	156,366,000	6.46	7.31	\$3,516,311	\$3,978,984	\$462,673
9 1998	156,366,000	6.94	7.88	\$3,359,645	\$3,814,698	\$455,053
10 1999	156,366,000	7.47	8.63	\$3,216,131	\$3,715,557	\$499,426
11 2000	156,366,000	8.03	9.51	\$3,074,736	\$3,641,437	\$566,701
12 2001	156,366,000	8.63	10.52	\$2,938,883	\$3,582,508	\$643,626
13 2002	156,366,000	9.27	11.68	\$2,807,568	\$3,537,476	\$729,907
14 2003	156,366,000	9.97	12.86	\$2,685,499	\$3,483,943	\$778,444
15 2004	156,366,000	10.72	14.03	\$2,568,051	\$3,360,985	\$792,934
16 2005	156,366,000	11.52	14.89	\$2,454,373	\$3,172,362	\$717,989
17 2006	156,366,000	12.39	16.02	\$2,347,678	\$3,035,497	\$687,819
18 2007	156,366,000	13.31	17.60	\$2,242,976	\$2,965,918	\$722,942
19 2008	156,366,000	14.31	18.78	\$2,144,693	\$2,814,629	\$669,936
20 2009	156,366,000	15.39	19.73	\$2,051,367	\$2,629,855	\$578,488
21 2010	156,366,000	16.54	21.00	\$1,960,737	\$2,489,449	\$528,712
22 2011	156,366,000	17.78	21.87	\$1,874,541	\$2,305,748	\$431,208
23 2012	156,366,000	19.11	23.89	\$1,791,856	\$2,240,053	\$448,198
24 2013	156,366,000	20.54	25.30	\$1,712,860	\$2,109,803	\$396,943
25 2014	156,366,000	22.08	26.92	\$1,637,569	\$1,996,529	\$358,960
Totals:						
				\$73,170,373	\$83,741,248	
				PV Difference (1988\$):	\$10,570,875	
				Present Value Ratio:	87.38%	

## Commonwealth Electric Company and Northeast Energy Associates

Size of Entitlement: 21 MW

Capacity Factor: 85%

High Case Oil and Gas Assumptions - DRI, February 1988

	(1)	(2)	(3)	(4)	(5)
Year	Energy kwh	NEA Contract Rate cts/kwh	2ND Dec. HI Fuel Avoided Costs	Total Contract Payment \$/kwh	Total Avoided Costs \$/kwh
	(21,000*85 *8760)			(1) * (2) / 100	(1) * (3) / 100
1989	0	0.00	5.36	\$0	\$0
1990	156,366,000	3.45	5.46	\$5,394,627	\$8,537,584
1991	156,366,000	3.96	5.48	\$6,192,094	\$8,568,857
1992	156,366,000	4.50	6.51	\$7,036,470	\$10,179,427
1993	156,366,000	4.84	7.66	\$7,568,114	\$11,977,636
1994	156,366,000	5.20	9.31	\$8,131,032	\$14,557,675
1995	156,366,000	5.59	10.86	\$8,740,859	\$16,981,348
1996	156,366,000	6.01	12.06	\$9,397,597	\$18,857,740
1997	156,366,000	6.46	13.30	\$10,101,244	\$20,796,678
1998	156,366,000	6.94	14.42	\$10,851,800	\$22,547,977
1999	156,366,000	7.47	15.50	\$11,680,540	\$24,236,730
2000	156,366,000	8.03	16.82	\$12,556,190	\$26,300,761
2001	156,366,000	8.63	18.38	\$13,494,386	\$28,740,071
2002	156,366,000	9.27	20.10	\$14,495,128	\$31,429,566
2003	156,366,000	9.97	21.73	\$15,589,690	\$33,978,332
2004	156,366,000	10.72	23.37	\$16,762,435	\$36,542,734
2005	156,366,000	11.52	24.71	\$18,013,363	\$38,638,039
2006	156,366,000	12.39	26.61	\$19,373,747	\$41,608,993
2007	156,366,000	13.31	29.45	\$20,812,315	\$46,049,787
2008	156,366,000	14.31	31.74	\$22,375,975	\$49,630,568
2009	156,366,000	15.39	33.67	\$24,064,727	\$52,648,432
2010	156,366,000	16.54	36.26	\$25,862,936	\$56,698,312
2011	156,366,000	17.78	37.83	\$27,801,875	\$59,153,258
2012	156,366,000	19.11	41.25	\$29,881,543	\$64,500,975
2013	156,366,000	20.54	43.28	\$32,117,576	\$67,675,205
2014	156,366,000	22.08	45.79	\$34,525,613	\$71,599,991
Totals:				\$412,821,877	\$862,436,673

Commonwealth Electric Company and Northeast Energy Associates  
Size of Entitlement: 21 MW  
Capacity Factor: 85%  
High Case Oil and Gas Assumptions - DRI, February 1988  
Discount Rate for Present Value Calculations: 12.44%

Year	(1) Energy kwh	(2) NEA Contract Rate cts/kwh	(3) 2nd Dec. HI Fuel Avoided Costs	(4) PV of Contract Payment \$/kwh	(5) PV of Avoided Costs \$/kwh	(6) Pres. Value Difference
	$\frac{[(1) * (2) / 100] - [(1) * (3) / 100]}{(1 + 12.44\%)^n}$					(5) - (4)
1989	(21,000 * .85 * 8760)	0.00	5.36	\$0	\$0	\$0
1990	156,366,000	3.45	5.46	\$4,266,972	\$6,752,946	\$2,485,975
1991	156,366,000	3.96	5.48	\$4,355,871	\$6,027,821	\$1,671,950
1992	156,366,000	4.50	6.51	\$4,402,217	\$6,368,541	\$1,966,324
1993	156,366,000	4.84	7.66	\$4,210,983	\$6,664,490	\$2,453,507
1994	156,366,000	5.20	9.31	\$4,023,654	\$7,203,889	\$3,180,234
1995	156,366,000	5.59	10.86	\$3,846,877	\$7,473,539	\$3,626,662
1996	156,366,000	6.01	12.06	\$3,678,326	\$7,381,131	\$3,702,806
1997	156,366,000	6.46	13.30	\$3,516,311	\$7,239,464	\$3,723,153
1998	156,366,000	6.94	14.42	\$3,359,645	\$6,980,704	\$3,621,059
1999	156,366,000	7.47	15.50	\$3,216,131	\$6,673,364	\$3,457,233
2000	156,366,000	8.03	16.82	\$3,074,736	\$6,440,481	\$3,365,745
2001	156,366,000	8.63	18.38	\$2,938,883	\$6,259,173	\$3,320,290
2002	156,366,000	9.27	20.10	\$2,807,568	\$6,087,608	\$3,280,039
2003	156,366,000	9.97	21.73	\$2,685,499	\$5,853,148	\$3,167,649
2004	156,366,000	10.72	23.37	\$2,568,051	\$5,598,448	\$3,030,397
2005	156,366,000	11.52	24.71	\$2,454,373	\$5,264,545	\$2,810,172
2006	156,366,000	12.39	26.61	\$2,347,678	\$4,962,857	\$2,614,179
2007	156,366,000	13.31	29.45	\$2,242,975	\$4,656,993	\$2,414,018
2008	156,366,000	14.31	31.74	\$2,144,693	\$4,348,949	\$2,204,256
2009	156,366,000	15.39	33.67	\$2,051,367	\$4,041,948	\$1,990,581
2010	156,366,000	16.54	36.26	\$1,960,737	\$3,740,448	\$1,779,711
2011	156,366,000	17.78	37.83	\$1,874,541	\$3,444,407	\$1,569,866
2012	156,366,000	19.11	41.25	\$1,791,855	\$3,153,819	\$1,361,964
2013	156,366,000	20.54	43.28	\$1,712,860	\$2,869,181	\$1,156,321
2014	156,366,000	22.08	45.79	\$1,637,569	\$2,596,028	\$958,458
Totals:				\$73,170,373	\$142,679,081	\$69,508,708
PV Difference (1988\$):						\$1.28%
Present Value Ratio:						

Commonwealth Electric Company and Northeast Energy Associates  
Size of Entitlement: 21 MW  
Capacity Factor: 85%  
Low Case Oil and Gas Assumptions - DRI, February 1988

	(1)	(2)	(3)	(4)	(5)
Year	Energy kwh	NEA Contract Rate cts/kwh	2ND Dec. Low Fuel Avoided Costs	Total Contract Payment \$/kwh	Total Avoided Costs \$/kwh
	(21,000* .85 =8760)			(1) * (2) / 100	(1) * (3) / 100
1989	0	0.00	2.36	\$0	\$0
1990	156,366,000	3.46	2.42	\$5,394,627	\$3,784,057
1991	156,366,000	3.96	2.22	\$6,192,094	\$3,471,325
1992	156,366,000	4.50	2.38	\$7,036,470	\$3,721,511
1993	156,366,000	4.84	2.59	\$7,568,114	\$4,049,879
1994	156,366,000	5.20	3.02	\$8,131,032	\$4,722,253
1995	156,366,000	5.59	3.40	\$8,740,859	\$5,316,444
1996	156,366,000	6.01	4.53	\$9,397,597	\$7,083,380
1997	156,366,000	6.46	4.85	\$10,101,244	\$7,583,751
1998	156,366,000	6.94	5.07	\$10,851,800	\$7,927,756
1999	156,366,000	7.47	5.38	\$11,680,540	\$8,412,491
2000	156,366,000	8.03	5.89	\$12,568,190	\$9,209,957
2001	156,366,000	8.63	6.42	\$13,494,386	\$10,038,697
2002	156,366,000	9.27	7.14	\$14,495,128	\$11,164,532
2003	156,366,000	9.97	7.67	\$15,589,690	\$11,993,272
2004	156,366,000	10.72	8.49	\$16,762,435	\$13,275,473
2005	156,366,000	11.52	9.01	\$18,013,363	\$14,088,577
2006	156,366,000	12.39	9.83	\$19,373,747	\$15,370,778
2007	156,366,000	13.31	11.20	\$20,812,315	\$17,612,992
2008	156,366,000	14.31	12.38	\$22,375,975	\$19,358,111
2009	156,366,000	15.39	13.44	\$24,064,727	\$21,015,590
2010	156,366,000	16.54	14.64	\$25,862,936	\$22,891,982
2011	156,366,000	17.78	15.64	\$27,801,875	\$24,455,642
2012	156,366,000	19.11	17.40	\$29,881,543	\$27,207,684
2013	156,366,000	20.54	18.81	\$32,117,576	\$29,412,445
2014	156,366,000	22.08	20.39	\$34,525,613	\$31,883,027
Totals:				\$412,821,877	\$334,951,609

Commonwealth Electric Company and Northeast Energy Associates  
 Size of Entitlement: 21 MW  
 Capacity Factor: 85%  
 Low Case Oil and Gas Assumptions - DRI, February 1988  
 Discount Rate for Present Value Calculations: 12.44%

(1)	(2)	(3)	(4)	(5)	(6)
Year	Energy kwh	NEA Contract Rate cts/kwh	2ND Dec. Low Fuel Avoided Costs	PV of Contract Payment \$/kwh	PV of Avoided Costs \$/kwh
	(21,000*0.85 +8760)			$[(1)*(2)/100]/$ $(1+.1244)^n$	$[(1)*(3)/100]/$ $(1+.1244)^n$
1989	0	0.00	2.36	\$0	\$0
1990	156,366,000	3.45	2.42	\$4,286,972	\$2,993,064
1991	156,366,000	3.96	2.22	\$4,355,871	\$2,441,928
1992	156,366,000	4.50	2.38	\$4,402,217	\$2,328,284
1993	156,366,000	4.84	2.59	\$4,210,983	\$2,253,398
1994	156,366,000	5.20	3.02	\$4,023,654	\$2,336,815
1995	156,366,000	5.59	3.40	\$3,846,877	\$2,339,782
1996	156,366,000	6.01	4.53	\$3,678,325	\$2,772,515
1997	156,366,000	6.46	4.85	\$3,516,311	\$2,639,955
1998	156,366,000	6.94	5.07	\$3,359,645	\$2,454,381
1999	156,366,000	7.47	5.38	\$3,216,131	\$2,316,303
2000	156,366,000	8.03	5.89	\$3,074,736	\$2,255,317
2001	156,366,000	8.63	6.42	\$2,938,883	\$2,186,283
2002	156,366,000	9.27	7.14	\$2,807,568	\$2,162,464
2003	156,366,000	9.97	7.67	\$2,685,499	\$2,065,975
2004	156,366,000	10.72	8.49	\$2,568,051	\$2,033,839
2005	156,366,000	11.52	9.01	\$2,454,373	\$1,919,609
2006	156,366,000	12.39	9.83	\$2,347,678	\$1,862,605
2007	156,366,000	13.31	11.20	\$2,242,975	\$1,887,402
2008	156,366,000	14.31	12.38	\$2,144,693	\$1,855,437
2009	156,366,000	15.39	13.44	\$2,051,367	\$1,791,447
2010	156,366,000	16.54	14.64	\$1,960,737	\$1,735,501
2011	156,366,000	17.78	15.64	\$1,874,541	\$1,648,921
2012	156,366,000	19.11	17.40	\$1,791,855	\$1,631,517
2013	156,366,000	20.54	18.81	\$1,712,860	\$1,568,593
2014	156,366,000	22.08	20.39	\$1,637,569	\$1,512,230
Totals:				\$73,170,373	\$52,993,565
PV Difference (1988\$):				-\$20,176,808	
Present Value Ratio:				138.07%	
Pres. Value Difference					(5) - (4)
1					-\$1,273,907
2					-\$1,913,943
3					-\$2,073,934
4					-\$1,957,585
5					-\$1,686,840
6					-\$1,507,095
7					-\$905,810
8					-\$876,356
9					-\$905,265
10					-\$899,828
11					-\$819,419
12					-\$752,599
13					-\$646,105
14					-\$619,523
15					-\$534,212
16					-\$534,764
17					-\$485,073
18					-\$355,573
19					-\$289,256
20					-\$259,920
21					-\$225,236
22					-\$225,620
23					-\$160,339
24					-\$144,267
25					-\$125,339

Information Request AG-2-14

Please provide the ownership interest history from the in-service date to the present.  
Include the names of any entities or individuals having more than 10% interest.

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Response

The owner of the facility, Northeast Energy Associates, is a partnership and has owned the facility since inception. NSTAR Electric does not have historical information about the ownership interests in the partnership over the term of the PPAs.

Information Request AG-2-15

Please provide the history of NEA's steam hosts from the in-service date to the present.

Response

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For the first ten years, the steam host was NECO Technologies, Inc and in 2002 the BOC Group Inc. became the steam host.



Information Request AG-2-16

Please provide a copy of the Schedules (other than Schedules A and D) enumerated in the List of Schedules on page 25 of the Bellingham Execution Agreement.

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Response

Please see the initial filing, Petition, Appendix A, Bates page 430 for Schedule G, Bates pages 431 to 435 for Schedule 1, Bates page 436 for Schedule 1.5, Bates pages 437 to 439 for Schedule 2.2(b)(iii), Bates pages 440 to 446 for Schedule 2.2(b)(iv), Bates page 447 for Schedule 3.5, Bates page 448 for Schedule 4.5, and Bates pages 449 to 450 for Schedule 5.3.

Information Request AG-2-17

Please identify, and provide if necessary, the agreements to which the schedules at pages (1) 143 to 163, (2) 269-274, (3) 349-355 and (4) 423-450 should be attached.

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Response

Please see the agreements provided in the initial filing, Petition, Appendix A as follows:

- (1) NEA A Amended and Restated Power Purchase Agreement at Bates pages 28 to 58
- (2) NEA B Amended and Restated Power Purchase Agreement at Bates pages 164 to 194
- (3) NEA 1 Amended and Restated Power Purchase Agreement at Bates pages 275 to 305
- (4) NEA 2 Amended and Restated Power Purchase Agreement at Bates pages 356 to 386

Information Request AG-2-18

Please provide any pages of the BECO-A, BECO-B, CECO-1 and CECO-2 AMENDED AND RESTATED POWER PURCHASE AGREEMENTs (including any appendices, schedules or attachments) not previously provided, if any.

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Response

Complete copies of each AMENDED AND RESTATED POWER PURCHASE AGREEMENT were provided in the Petition, Appendix A as follows:

BECO-A at Bates pages 28 through 163

BECO-B at Bates pages 164 through 274

COM-1 at Bates pages 275 through 355

COM-2 at Bates pages 356 through 429.

Information Request AG-2-19

Please provide a copy of the Microsoft Excel spreadsheet referred to in the last sentence of subparagraph (i) of the definition of "Adjusted Bid Price Amount" on page 3 of the Bellingham Execution Agreement.

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Response

Please see Attachment AG-2-19 for a working version of the electronic file.

Calculations

		MWh/hr					MWs				
		BECO 1	BECO 2	COMLEC 1	COMLEC 2	Total	BECO 1	BECO 2	COMLEC 1	COMLEC 2	Total
04/30/04	30	143.6057	91.0848	26.3264	22.1142	283.1311	103,396.1040	65,581.0560	18,955.0080	15,922.2240	203,854.3920
05/31/04	31	62.2785	41.0127	11.4171	9.5904	124.2987	46,335.2040	30,513.4488	8,494.3224	7,135.2576	92,478.2328
06/30/04	30	131.6134	66.3734	24.1279	20.2674	242.3821	94,761.6480	47,788.8480	17,372.0880	14,592.5280	174,515.1120
07/31/04	31	128.3207	66.3734	23.5243	19.7604	237.9788	95,470.6008	49,381.8096	17,502.0792	14,701.7376	177,056.2272
08/31/04	31	129.2221	66.3734	23.6895	19.8992	239.1842	96,141.2424	49,381.8096	17,624.9880	14,805.0048	177,953.0448
09/30/04	30	120.2033	66.3734	24.3354	20.4417	231.3538	86,546.3760	47,788.8480	17,521.4880	14,718.0240	166,574.7360
10/31/04	31	113.9548	82.5181	23.1990	19.4872	239.1591	84,782.3712	61,393.4664	17,260.0560	14,498.4768	177,934.3704
11/30/04	30	129.2654	89.7994	26.1701	21.9828	267.2177	93,071.0880	64,655.5680	18,842.4720	15,827.6160	192,396.7440
12/31/04	31	146.2024	89.7994	26.8024	22.5140	285.3182	108,774.5856	66,810.7536	19,940.9856	16,750.4160	212,276.7408
01/31/05	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/28/05	28	147.9324	90.2439	27.1196	22.7804	288.0763	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
03/31/05	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472
04/30/05	30	140.3028	88.9924	25.7209	21.6055	276.6216	101,018.0160	64,074.5280	18,519.0480	15,555.9600	199,167.5520
05/31/05	31	97.5275	64.2181	17.8791	15.0185	194.6432	72,560.4600	47,778.2664	13,302.0504	11,173.7640	144,814.5408
06/30/05	30	124.4502	62.7707	22.8147	19.1644	229.2000	89,604.1440	45,194.9040	16,426.5840	13,798.3680	165,024.0000
07/31/05	31	132.6168	67.2494	24.3119	20.4220	244.6001	98,666.8992	50,033.5536	18,088.0536	15,193.9680	181,982.4744
08/31/05	31	131.5875	67.5259	24.1231	20.2634	243.4999	97,901.1000	50,239.2696	17,947.5864	15,075.9696	181,163.9256
09/30/05	30	128.4673	70.4503	25.8524	21.7160	246.4860	92,496.4560	50,724.2160	18,613.7280	15,635.5200	177,469.9200
10/31/05	31	130.7405	93.3322	26.2798	22.0750	272.4275	97,270.9320	69,439.1568	19,552.1712	16,423.8000	202,686.0600
11/30/05	30	112.9287	79.4089	23.1791	19.4705	234.9872	81,308.6640	57,174.4080	16,688.9520	14,018.7600	169,190.7840
12/31/05	31	137.1563	84.0720	25.1440	21.1210	267.4933	102,044.2872	62,549.5680	18,707.1360	15,714.0240	199,015.0152
01/31/06	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/28/06	28	147.9324	90.2439	27.1196	22.7804	288.0763	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
03/31/06	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472
04/30/06	30	140.3028	88.9924	25.7209	21.6055	276.6216	101,018.0160	64,074.5280	18,519.0480	15,555.9600	199,167.5520
05/31/06	31	97.5275	64.2181	17.8791	15.0185	194.6432	72,560.4600	47,778.2664	13,302.0504	11,173.7640	144,814.5408
06/30/06	30	124.4502	62.7707	22.8147	19.1644	229.2000	89,604.1440	45,194.9040	16,426.5840	13,798.3680	165,024.0000
07/31/06	31	132.6168	67.2494	24.3119	20.4220	244.6001	98,666.8992	50,033.5536	18,088.0536	15,193.9680	181,982.4744
08/31/06	31	131.5875	67.5259	24.1231	20.2634	243.4999	97,901.1000	50,239.2696	17,947.5864	15,075.9696	181,163.9256
09/30/06	30	128.4673	70.4503	25.8524	21.7160	246.4860	92,496.4560	50,724.2160	18,613.7280	15,635.5200	177,469.9200
10/31/06	31	130.7405	93.3322	26.2798	22.0750	272.4275	97,270.9320	69,439.1568	19,552.1712	16,423.8000	202,686.0600
11/30/06	30	112.9287	79.4089	23.1791	19.4705	234.9872	81,308.6640	57,174.4080	16,688.9520	14,018.7600	169,190.7840
12/31/06	31	137.1563	84.0720	25.1440	21.1210	267.4933	102,044.2872	62,549.5680	18,707.1360	15,714.0240	199,015.0152
01/31/07	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/28/07	28	147.9324	90.2439	27.1196	22.7804	288.0763	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
03/31/07	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472
04/30/07	30	140.3028	88.9924	25.7209	21.6055	276.6216	101,018.0160	64,074.5280	18,519.0480	15,555.9600	199,167.5520
05/31/07	31	97.5275	64.2181	17.8791	15.0185	194.6432	72,560.4600	47,778.2664	13,302.0504	11,173.7640	144,814.5408
06/30/07	30	124.4502	62.7707	22.8147	19.1644	229.2000	89,604.1440	45,194.9040	16,426.5840	13,798.3680	165,024.0000
07/31/07	31	132.6168	67.2494	24.3119	20.4220	244.6001	98,666.8992	50,033.5536	18,088.0536	15,193.9680	181,982.4744
08/31/07	31	131.5875	67.5259	24.1231	20.2634	243.4999	97,901.1000	50,239.2696	17,947.5864	15,075.9696	181,163.9256
09/30/07	30	128.4673	70.4503	25.8524	21.7160	246.4860	92,496.4560	50,724.2160	18,613.7280	15,635.5200	177,469.9200
10/31/07	31	130.7405	93.3322	26.2798	22.0750	272.4275	97,270.9320	69,439.1568	19,552.1712	16,423.8000	202,686.0600
11/30/07	30	112.9287	79.4089	23.1791	19.4705	234.9872	81,308.6640	57,174.4080	16,688.9520	14,018.7600	169,190.7840
12/31/07	31	137.1563	84.0720	25.1440	21.1210	267.4933	102,044.2872	62,549.5680	18,707.1360	15,714.0240	199,015.0152
01/31/08	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/29/08	29	147.9324	90.2439	27.1196	22.7804	288.0763	102,960.9504	62,809.7544	18,875.2416	15,855.1584	200,501.1048
03/31/08	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472
04/30/08	30	140.3028	88.9924	25.7209	21.6055	276.6216	101,018.0160	64,074.5280	18,519.0480	15,555.9600	199,167.5520
05/31/08	31	97.5275	64.2181	17.8791	15.0185	194.6432	72,560.4600	47,778.2664	13,302.0504	11,173.7640	144,814.5408
06/30/08	30	124.4502	62.7707	22.8147	19.1644	229.2000	89,604.1440	45,194.9040	16,426.5840	13,798.3680	165,024.0000
07/31/08	31	132.6168	67.2494	24.3119	20.4220	244.6001	98,666.8992	50,033.5536	18,088.0536	15,193.9680	181,982.4744
08/31/08	31	131.5875	67.5259	24.1231	20.2634	243.4999	97,901.1000	50,239.2696	17,947.5864	15,075.9696	181,163.9256
09/30/08	30	128.4673	70.4503	25.8524	21.7160	246.4860	92,496.4560	50,724.2160	18,613.7280	15,635.5200	177,469.9200
10/31/08	31	130.7405	93.3322	26.2798	22.0750	272.4275	97,270.9320	69,439.1568	19,552.1712	16,423.8000	202,686.0600
11/30/08	30	112.9287	79.4089	23.1791	19.4705	234.9872	81,308.6640	57,174.4080	16,688.9520	14,018.7600	169,190.7840
12/31/08	31	137.1563	84.0720	25.1440	21.1210	267.4933	102,044.2872	62,549.5680	18,707.1360	15,714.0240	199,015.0152
01/31/09	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/28/09	28	147.9324	90.2439	27.1196	22.7804	288.0763	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
03/31/09	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472
04/30/09	30	140.3028	88.9924	25.7209	21.6055	276.6216	101,018.0160	64,074.5280	18,519.0480	15,555.9600	199,167.5520
05/31/09	31	97.5275	64.2181	17.8791	15.0185	194.6432	72,560.4600	47,778.2664	13,302.0504	11,173.7640	144,814.5408
06/30/09	30	124.4502	62.7707	22.8147	19.1644	229.2000	89,604.1440	45,194.9040	16,426.5840	13,798.3680	165,024.0000
07/31/09	31	132.6168	67.2494	24.3119	20.4220	244.6001	98,666.8992	50,033.5536	18,088.0536	15,193.9680	181,982.4744
08/31/09	31	131.5875	67.5259	24.1231	20.2634	243.4999	97,901.1000	50,239.2696	17,947.5864	15,075.9696	181,163.9256
09/30/09	30	128.4673	70.4503	25.8524	21.7160	246.4860	92,496.4560	50,724.2160	18,613.7280	15,635.5200	177,469.9200
10/31/09	31	130.7405	93.3322	26.2798	22.0750	272.4275	97,270.9320	69,439.1568	19,552.1712	16,423.8000	202,686.0600
11/30/09	30	112.9287	79.4089	23.1791	19.4705	234.9872	81,308.6640	57,174.4080	16,688.9520	14,018.7600	169,190.7840
12/31/09	31	137.1563	84.0720	25.1440	21.1210	267.4933	102,044.2872	62,549.5680	18,707.1360	15,714.0240	199,015.0152
01/31/10	31	150.0358	91.1785	27.5052	23.1043	291.8238	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
02/28/10	28	147.9324	90.2439	27.1196	22.7804	288.0763	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
03/31/10	31	144.8293	89.3762	26.5507	22.3026	283.0588	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595

MWh/hr							MWhs				
		BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total	BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total
11/30/11	30	112.9287	0.0000	23.1791	19.4705	155.5783	81,308.6640	0.0000	16,688.9520	14,018.7600	112,016.3760
12/31/11	31	137.1563	0.0000	25.1440	21.1210	183.4213	102,044.2872	0.0000	18,707.1360	15,714.0240	136,465.4472
01/31/12	31	150.0358	0.0000	27.5052	23.1043	200.6453	111,626.6352	0.0000	20,463.8688	17,189.5992	149,280.1032
02/29/12	29	147.9324	0.0000	27.1196	22.7804	197.8324	102,960.9504	0.0000	18,875.2416	15,855.1584	137,691.3504
03/31/12	31	144.8293	0.0000	26.5507	22.3026	193.6826	107,752.9992	0.0000	19,753.7208	16,593.1344	144,099.8544
04/30/12	30	140.3028	0.0000	25.7209	21.6055	187.6292	101,018.0160	0.0000	18,519.0480	15,555.9600	135,093.0240
05/31/12	31	97.5275	0.0000	17.8791	15.0185	130.4251	72,560.4600	0.0000	13,302.0504	11,173.7640	97,036.2744
06/30/12	30	124.4502	0.0000	22.8147	19.1644	166.4293	89,604.1440	0.0000	16,426.5840	13,798.3680	119,829.0960
07/31/12	31	132.6168	0.0000	24.3119	20.4220	177.3507	98,666.8992	0.0000	18,088.0536	15,193.9680	131,948.9208
08/31/12	31	131.5875	0.0000	24.1231	20.2634	175.9740	97,901.1000	0.0000	17,947.5864	15,075.9696	130,924.6560
09/30/12	30	128.4673	0.0000	25.8524	21.7160	176.0357	92,496.4560	0.0000	18,613.7280	15,635.5200	126,745.7040
10/31/12	31	130.7405	0.0000	26.2798	22.0750	179.0953	97,270.9320	0.0000	19,552.1712	16,423.8000	133,246.9032
11/30/12	30	112.9287	0.0000	23.1791	19.4705	155.5783	81,308.6640	0.0000	16,688.9520	14,018.7600	112,016.3760
12/31/12	31	137.1563	0.0000	25.1440	21.1210	183.4213	102,044.2872	0.0000	18,707.1360	15,714.0240	136,465.4472
01/31/13	31	150.0358	0.0000	27.5052	23.1043	200.6453	111,626.6352	0.0000	20,463.8688	17,189.5992	149,280.1032
02/28/13	28	147.9324	0.0000	27.1196	22.7804	197.8324	99,410.5728	0.0000	18,224.3712	15,308.4288	132,943.3728
03/31/13	31	144.8293	0.0000	26.5507	22.3026	193.6826	107,752.9992	0.0000	19,753.7208	16,593.1344	144,099.8544
04/30/13	30	140.3028	0.0000	25.7209	21.6055	187.6292	101,018.0160	0.0000	18,519.0480	15,555.9600	135,093.0240
05/31/13	31	97.5275	0.0000	17.8791	15.0185	130.4251	72,560.4600	0.0000	13,302.0504	11,173.7640	97,036.2744
06/30/13	30	124.4502	0.0000	22.8147	19.1644	166.4293	89,604.1440	0.0000	16,426.5840	13,798.3680	119,829.0960
07/31/13	31	132.6168	0.0000	24.3119	20.4220	177.3507	98,666.8992	0.0000	18,088.0536	15,193.9680	131,948.9208
08/31/13	31	131.5875	0.0000	24.1231	20.2634	175.9740	97,901.1000	0.0000	17,947.5864	15,075.9696	130,924.6560
09/30/13	30	128.4673	0.0000	25.8524	21.7160	176.0357	92,496.4560	0.0000	18,613.7280	15,635.5200	126,745.7040
10/31/13	31	130.7405	0.0000	26.2798	22.0750	179.0953	97,270.9320	0.0000	19,552.1712	16,423.8000	133,246.9032
11/30/13	30	112.9287	0.0000	23.1791	19.4705	155.5783	81,308.6640	0.0000	16,688.9520	14,018.7600	112,016.3760
12/31/13	31	137.1563	0.0000	25.1440	21.1210	183.4213	102,044.2872	0.0000	18,707.1360	15,714.0240	136,465.4472
01/31/14	31	150.0358	0.0000	27.5052	23.1043	200.6453	111,626.6352	0.0000	20,463.8688	17,189.5992	149,280.1032
02/28/14	28	147.9324	0.0000	27.1196	22.7804	197.8324	99,410.5728	0.0000	18,224.3712	15,308.4288	132,943.3728
03/31/14	31	144.8293	0.0000	26.5507	22.3026	193.6826	107,752.9992	0.0000	19,753.7208	16,593.1344	144,099.8544
04/30/14	30	140.3028	0.0000	25.7209	21.6055	187.6292	101,018.0160	0.0000	18,519.0480	15,555.9600	135,093.0240
05/31/14	31	97.5275	0.0000	17.8791	15.0185	130.4251	72,560.4600	0.0000	13,302.0504	11,173.7640	97,036.2744
06/30/14	30	124.4502	0.0000	22.8147	19.1644	166.4293	89,604.1440	0.0000	16,426.5840	13,798.3680	119,829.0960
07/31/14	31	132.6168	0.0000	24.3119	20.4220	177.3507	98,666.8992	0.0000	18,088.0536	15,193.9680	131,948.9208
08/31/14	31	131.5875	0.0000	24.1231	20.2634	175.9740	97,901.1000	0.0000	17,947.5864	15,075.9696	130,924.6560
09/30/14	30	128.4673	0.0000	25.8524	21.7160	176.0357	92,496.4560	0.0000	18,613.7280	15,635.5200	126,745.7040
10/31/14	31	130.7405	0.0000	26.2798	22.0750	179.0953	97,270.9320	0.0000	19,552.1712	16,423.8000	133,246.9032
11/30/14	30	112.9287	0.0000	23.1791	19.4705	155.5783	81,308.6640	0.0000	16,688.9520	14,018.7600	112,016.3760
12/31/14	31	137.1563	0.0000	25.1440	21.1210	183.4213	102,044.2872	0.0000	18,707.1360	15,714.0240	136,465.4472
01/31/15	31	150.0358	0.0000	27.5052	23.1043	200.6453	111,626.6352	0.0000	20,463.8688	17,189.5992	149,280.1032
02/28/15	28	147.9324	0.0000	27.1196	22.7804	197.8324	99,410.5728	0.0000	18,224.3712	15,308.4288	132,943.3728
03/31/15	31	144.8293	0.0000	26.5507	22.3026	193.6826	107,752.9992	0.0000	19,753.7208	16,593.1344	144,099.8544
04/30/15	30	140.3028	0.0000	25.7209	21.6055	187.6292	101,018.0160	0.0000	18,519.0480	15,555.9600	135,093.0240
05/31/15	31	97.5275	0.0000	17.8791	15.0185	130.4251	72,560.4600	0.0000	13,302.0504	11,173.7640	97,036.2744
06/30/15	30	124.4502	0.0000	22.8147	19.1644	166.4293	89,604.1440	0.0000	16,426.5840	13,798.3680	119,829.0960
07/31/15	31	132.6168	0.0000	24.3119	20.4220	177.3507	98,666.8992	0.0000	18,088.0536	15,193.9680	131,948.9208
08/31/15	31	131.5875	0.0000	24.1231	20.2634	175.9740	97,901.1000	0.0000	17,947.5864	15,075.9696	130,924.6560
09/30/15	30	128.4673	0.0000	25.8524	21.7160	176.0357	92,496.4560	0.0000	18,613.7280	15,635.5200	126,745.7040
10/31/15	31	130.7405	0.0000	26.2798	22.0750	179.0953	97,270.9320	0.0000	19,552.1712	16,423.8000	133,246.9032
11/30/15	30	112.9287	0.0000	23.1791	19.4705	155.5783	81,308.6640	0.0000	16,688.9520	14,018.7600	112,016.3760
12/31/15	31	137.1563	0.0000	25.1440	21.1210	183.4213	102,044.2872	0.0000	18,707.1360	15,714.0240	136,465.4472
01/31/16	31	150.0358	0.0000	27.5052	23.1043	200.6453	111,626.6352	0.0000	20,463.8688	17,189.5992	149,280.1032
02/29/16	29	147.9324	0.0000	27.1196	22.7804	197.8324	102,960.9504	0.0000	18,875.2416	15,855.1584	137,691.3504
03/31/16	31	144.8293	0.0000	26.5507	22.3026	193.6826	107,752.9992	0.0000	19,753.7208	16,593.1344	144,099.8544
04/30/16	30	140.3028	0.0000	25.7209	21.6055	187.6292	101,018.0160	0.0000	18,519.0480	15,555.9600	135,093.0240
05/31/16	31	97.5275	0.0000	17.8791	15.0185	130.4251	72,560.4600	0.0000	13,302.0504	11,173.7640	97,036.2744
06/30/16	30	124.4502	0.0000	22.8147	19.1644	166.4293	89,604.1440	0.0000	16,426.5840	13,798.3680	119,829.0960
07/31/16	31	132.6168	0.0000	24.3119	20.4220	177.3507	98,666.8992	0.0000	18,088.0536	15,193.9680	131,948.9208
08/31/16	31	131.5875	0.0000	24.1231	20.2634	175.9740	97,901.1000	0.0000	17,947.5864	15,075.9696	130,924.6560
09/30/16	30	62.6579	0.0000	13.7879	11.5819	88.0277	45,113.7024	0.0000	9,927.3216	8,338.9440	63,379.9680

Year	On-Peak	Off-Peak	Total	On-Peak MWhs					Off-Peak MWhs				
				BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total	BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total
2004	352	368	720	50,549.2064	32,061.8496	9,266.8928	7,784.1984	99,662.1472	52,848.8976	33,519.2064	9,688.1152	8,138.0256	104,192.2448
2004	320	424	744	19,929.1200	13,124.0640	3,653.4720	3,068.9280	39,775.5840	26,406.0840	17,389.3848	4,840.8504	4,066.3296	52,702.6488
2004	352	368	720	46,327.9168	23,363.4368	8,493.0208	7,134.1248	85,318.4992	48,433.7312	24,425.4112	8,879.0672	7,458.4032	89,196.6128
2004	352	392	744	45,168.8864	23,363.4368	8,280.5536	6,955.6608	83,768.5376	50,301.7144	26,018.3728	9,221.5256	7,746.0768	93,287.6896
2004	352	392	744	45,486.1792	23,363.4368	8,338.7040	7,004.5184	84,192.8384	50,655.0632	26,018.3728	9,286.2840	7,800.4864	93,760.2064
2004	336	384	720	40,388.3088	22,301.4624	8,176.6944	6,868.4112	77,734.8768	46,158.0672	25,487.3856	9,344.7936	7,849.6128	88,839.8592
2004	336	408	744	38,288.8128	27,726.0816	7,794.8640	6,547.6992	80,357.4576	46,493.5584	33,667.3848	9,465.1920	7,950.7776	97,576.9128
2004	336	384	720	43,433.1744	30,172.5984	8,793.1536	7,386.2208	89,785.1472	49,637.9136	34,482.9696	10,049.3184	8,441.3952	102,611.5968
2004	368	376	744	53,802.4832	33,046.1792	9,863.2832	8,285.1520	104,997.0976	54,972.1024	33,764.5744	10,077.7024	8,465.2640	107,279.6432
2005	336	408	744	50,412.0288	30,635.9760	9,241.7472	7,763.0448	98,052.7968	61,214.6064	37,200.8280	11,222.1216	9,426.5544	119,064.1104
2005	320	352	672	47,338.3680	28,878.0480	8,678.2720	7,289.7280	92,184.4160	52,072.2048	31,765.8528	9,546.0992	8,018.7008	101,402.8576
2005	368	376	744	53,297.1824	32,890.4416	9,770.6576	8,207.3568	104,165.6384	54,455.8168	33,605.4512	9,983.0632	8,385.7776	106,430.1088

Year	On-Peak	Off-Peak	Total	On-Peak MWhs					Off-Peak MWhs				
				BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total	BECO 1	BECO 2	COMELEC 1	COMELEC 2	Total



## Schedule 1

Peak MWh percentage of total MWh	48.5753%
Peak Heat Rate (MMBtu/MWh)	8.60
Discount Rate	8.10%
Closing Date*	01/01/05
Start of Adjuster Period*	02/01/05
Initial NEA Bid Price Amount	-\$12,566,453.00
Bid Date On Peak Energy Cost*	\$273,886,759.99
Calculation Date On-Peak Energy Cost *	<u>\$293,296,029.90</u>
Adjusted Bid Price Amount	-\$31,975,722.91

\* Asterisk indicates an assumption that will be inserted at Calculation Date or a numeric value that will change as a result of that Calculation Date insertion

		On-Peak MWhs				Bid Date			Forward NYMEX			Calculation Date		Calculation Date	
		BECo 1	BECo 2	CECo	Total	Gas Price	On-Peak	On-Peak	Gas Price *	On-Peak	On-Peak	Example	Example	Example	Example
						(\$/MMBtu)	Energy Price (\$/MWh)	Energy Cost* (\$)	(\$/MMBtu)	Energy Price* (\$/MWh)	Energy Cost* (\$)				
						12/1/2003	12/1/2003	12/1/2003							
4/1/2004	8.10%	3,832,068.3881	1,552,196.3657	1,323,167.7718	6,707,432.5256		\$40.83	273,886,759.9900							
4/30/04	0.9938	0.0000	0.0000	0.0000	0.0000	4.743	\$40.7898	0.0000	0.000	0.0000	0.0000				
5/31/04	0.9873	0.0000	0.0000	0.0000	0.0000	4.693	\$40.3598	0.0000	0.000	0.0000	0.0000				
6/30/04	0.9810	0.0000	0.0000	0.0000	0.0000	4.711	\$40.5146	0.0000	0.000	0.0000	0.0000				
7/31/04	0.9745	0.0000	0.0000	0.0000	0.0000	4.729	\$40.6694	0.0000	0.000	0.0000	0.0000				
8/31/04	0.9681	0.0000	0.0000	0.0000	0.0000	4.746	\$40.8156	0.0000	0.000	0.0000	0.0000				
9/30/04	0.9619	0.0000	0.0000	0.0000	0.0000	4.736	\$40.7296	0.0000	0.000	0.0000	0.0000				
10/31/04	0.9556	0.0000	0.0000	0.0000	0.0000	4.738	\$40.7468	0.0000	0.000	0.0000	0.0000				
11/30/04	0.9495	0.0000	0.0000	0.0000	0.0000	4.890	\$42.0540	0.0000	0.000	0.0000	0.0000				
12/31/04	0.9432	0.0000	0.0000	0.0000	0.0000	5.055	\$43.4730	0.0000	0.000	0.0000	0.0000				
1/31/05	0.9370	0.0000	0.0000	0.0000	0.0000	5.170	\$44.4820	0.0000	0.000	0.0000	0.0000				
2/28/05	0.9314	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.125	\$44.0750	3,973,971.8386	7.065	60.7590	5,478,265.5687				
3/31/05	0.9253	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.980	\$42.8280	4,200,810.1196	6.900	59.3400	5,820,399.5633				
4/30/05	0.9194	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.605	\$39.6030	3,673,688.5267	6.128	52.7008	4,888,678.2393				
5/31/05	0.9133	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.533	\$38.9838	2,629,371.8107	5.943	51.1098	3,447,243.9160				
6/30/05	0.9075	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.550	\$39.1300	3,007,548.3559	5.943	51.1098	3,928,320.8526				
7/31/05	0.9015	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.567	\$39.2762	3,329,006.8562	5.973	51.3678	4,353,877.3707				
8/31/05	0.8955	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.589	\$39.4654	3,329,997.3847	5.978	51.4108	4,337,922.0671				
9/30/05	0.8898	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.577	\$39.3622	3,253,567.1792	5.948	51.1528	4,228,144.5449				
10/31/05	0.8840	45,304.2284	32,341.4958	16,755.9165	94,401.6405	4.602	\$39.5772	3,736,152.6064	5.961	51.2646	4,839,462.3396				
11/30/05	0.8783	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.772	\$41.0392	3,233,934.7269	6.126	52.6836	4,151,526.4328				
12/31/05	0.8725	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.952	\$42.5872	3,947,485.9412	6.291	54.1026	5,014,869.5590				
1/31/06	0.8668	51,990.4402	31,595.1950	17,537.2157	101,122.8509	5.053	\$43.4558	4,394,374.3841	6.406	55.0916	5,571,019.6526				
2/28/06	0.8616	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.018	\$43.1548	3,891,003.0607	6.361	54.7046	4,932,377.5347				
3/31/06	0.8559	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.873	\$41.9078	4,110,551.7496	6.171	53.0706	5,205,461.6964				
4/30/06	0.8505	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.573	\$39.3278	3,648,160.1808	5.511	47.3946	4,396,459.8199				
5/31/06	0.8449	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.513	\$38.8118	2,617,770.7880	5.346	45.9756	3,100,953.3863				
6/30/06	0.8395	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.513	\$38.8118	2,983,091.3693	5.351	46.0186	3,537,009.0665				
7/31/06	0.8339	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.528	\$38.9408	3,300,578.7267	5.371	46.1906	3,915,063.6796				
8/31/06	0.8284	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.544	\$39.0784	3,297,343.2373	5.389	46.3454	3,910,515.5603				
9/30/06	0.8232	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.544	\$39.0784	3,230,109.0807	5.359	46.0874	3,809,453.0289				
10/31/06	0.8177	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.589	\$39.4654	3,725,598.5030	5.371	46.1906	4,360,468.4157				
11/30/06	0.8125	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.770	\$41.0220	3,232,579.3477	5.541	47.6526	3,755,078.0222				
12/31/06	0.8072	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.940	\$42.4840	3,937,920.1433	5.706	49.0716	4,548,536.9105				
1/31/07	0.8018	51,990.4402	31,595.1950	17,537.2157	101,122.8509	5.049	\$43.4214	4,390,895.7581	5.806	49.9316	5,049,225.7420				
2/28/07	0.7971	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.009	\$43.0774	3,884,024.3785	5.756	49.5016	4,463,255.0055				
3/31/07	0.7918	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.869	\$41.8734	4,107,177.6049	5.556	47.7816	4,686,686.9527				
4/30/07	0.7867	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.614	\$39.6804	3,680,868.3740	5.081	43.6966	4,053,422.6720				
5/31/07	0.7816	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.579	\$39.3794	2,656,054.1631	4.921	42.3206	2,854,431.6525				
6/30/07	0.7766	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.588	\$39.4568	3,032,666.3422	4.923	42.3378	3,254,101.2211				
7/31/07	0.7715	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.608	\$39.6288	3,358,892.8385	4.933	42.4238	3,595,973.9176				
8/31/07	0.7664	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.623	\$39.7578	3,354,669.4072	4.946	42.5356	3,589,053.6205				
9/30/07	0.7615	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.608	\$39.6288	3,275,603.5748	4.909	42.2174	3,489,569.8673				
10/31/07	0.7565	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.598	\$39.5428	3,732,905.1900	4.922	42.3292	3,995,945.9211				
11/30/07	0.7516	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.728	\$40.6608	3,240,116.3849	5.086	43.7396	3,446,729.2584				
12/31/07	0.7467	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.858	\$41.7788	3,672,553.8575	5.251	45.1586	4,165,833.7394				
1/31/08	0.7418	51,990.4402	31,595.1950	17,537.2157	101,122.8509	4.953	\$42.5958	4,307,408.7324	5.351	46.0186	4,653,532.0264				
2/28/08	0.7372	47,954.3715	29,253.8315	16,175.7880	93,383.9910	4.893	\$42.0798	3,929,579.6645	5.316	45.7176	4,269,291.9469				
3/31/08	0.7323	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.803	\$41.3058	4,051,504.2178	5.136	44.1696	4,332,401.7619				
4/30/08	0.7276	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.613	\$39.6718	3,680,070.6132	4.726	40.6436	3,770,217.5847				
5/31/08	0.7228	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.613	\$39.6718	2,675,775.9018	4.673	40.1878	2,710,578.9701				
6/30/08	0.7182	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.613	\$39.6718	3,049,191.3331	4.673	40.1878	3,088,851.3115				
7/31/08	0.7135	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.643	\$39.9298	3,384,405.2624	4.698	40.4028	3,424,496.2142				
8/31/08	0.7088	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.673	\$40.1878	3,390,951.7931	4.723	40					

		On-Peak MWhs				Bid Date			Forward NYMEX			Calculation Date		Calculation Date	
		BECo 1	BECo 2	CECo	Total	Bid Date	Gas Price	On-Peak	Bid Date	Gas Price *	On-Peak	On-Peak	On-Peak	On-Peak	On-Peak
								Energy Price		08/18/04	Energy Price*	Energy Price*	Energy Price*	Energy Price*	Energy Price*
							(\$/MMBtu)	(\$/MWh)		(\$/MMBtu)	(\$/MWh)	(\$/MWh)	(\$/MWh)	(\$/MWh)	(\$/MWh)
							12/1/2003	12/1/2003		12/1/2003	12/1/2003	12/1/2003	12/1/2003	12/1/2003	12/1/2003
										Example	Example	Example	Example	Example	Example
9/30/10	0.6027	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.683	\$40.2738	3,328,917.4350	4.568	39.2848	3,247,169.5160				
10/31/10	0.5987	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.683	\$40.2738	3,801,912.7892	4.578	39.3708	3,716,868.1078				
11/30/10	0.5949	37,869.7542	26,829.1520	14,302.2090	78,801.1152	4.758	\$40.9188	3,224,447.0726	4.688	40.3168	3,177,008.8013				
12/31/10	0.5910	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.893	\$42.0798	3,900,454.1015	4.808	41.3488	3,832,696.3662				
1/31/11	0.5871	51,990.4402	31,595.1950	17,537.2157	101,122.8509	4.943	\$42.5098	4,298,712.1672	4.903	42.1658	4,263,925.9065				
2/28/11	0.5836	46,300.7725	28,245.0787	15,618.0022	90,163.8534	4.893	\$42.0798	3,794,076.9183	4.863	41.8218	3,770,814.6441				
3/31/11	0.5797	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.833	\$41.5638	4,076,810.3028	4.783	41.1338	4,034,633.4944				
4/30/11	0.5760	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.678	\$40.2308	3,731,925.0658	4.433	38.1238	3,536,473.6675				
5/31/11	0.5722	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.678	\$40.2308	2,713,479.2258	4.393	37.7798	2,548,164.6513				
6/30/11	0.5688	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.678	\$40.2308	3,092,156.3097	4.393	37.7798	2,903,771.4126				
7/31/11	0.5648	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.678	\$40.2308	3,409,917.6863	4.558	39.1988	3,322,446.5186				
8/31/11	0.5611	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.683	\$40.2738	3,398,208.2703	4.568	39.2848	3,314,758.7826				
9/30/11	0.5575	43,080.5019	11,024.9771	15,951.6900	70,057.1690	4.683	\$40.2738	2,821,468.4129	4.568	39.2848	2,752,181.8727				
10/31/11	0.5538	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528				
11/30/11	0.5503	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059				
12/31/11	0.5467	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934				
1/31/12	0.5431	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331				
2/28/12	0.5397	47,954.3715	0.0000	16,175.7880	64,130.1595	4.893	\$42.0798	2,698,584.2857	4.863	41.8218	2,682,038.7046				
3/31/12	0.5362	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943				
4/30/12	0.5327	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793				
5/31/12	0.5292	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393				
6/30/12	0.5259	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884				
7/31/12	0.5224	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967				
8/31/12	0.5189	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921				
9/30/12	0.5156	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524				
10/31/12	0.5122	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528				
11/30/12	0.5090	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059				
12/31/12	0.5056	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934				
1/31/13	0.5023	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331				
2/28/13	0.4993	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117				
3/31/13	0.4960	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943				
4/30/13	0.4928	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793				
5/31/13	0.4896	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393				
6/30/13	0.4865	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884				
7/31/13	0.4832	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967				
8/31/13	0.4801	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921				
9/30/13	0.4770	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524				
10/31/13	0.4739	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528				
11/30/13	0.4708	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059				
12/31/13	0.4677	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934				
1/31/14	0.4646	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331				
2/28/14	0.4619	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117				
3/31/14	0.4588	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943				
4/30/14	0.4559	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793				
5/31/14	0.4529	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393				
6/30/14	0.4500	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884				
7/31/14	0.4470	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967				
8/31/14	0.4441	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921				
9/30/14	0.4413	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524				
10/31/14	0.4383	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528				
11/30/14	0.4356	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059				
12/31/14	0.4327	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934				
1/31/15	0.4298	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331				
2/28/15	0.4273	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117				
3/31/15	0.4244	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943				
4/30/15	0.4217	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793				
5/31/15	0.4190	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393				
6/30/15	0.4163	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884				
7/31/15	0.4135	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967				
8/31/15	0.4108	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921				
9/30/15	0.4082	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524				
10/31/15	0.4055	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.				

## Schedule 1.5

Peak MWh percentage of total MWh	46.5753%
Peak Heat Rate (MMBtu/MWh)	8.60
Discount Rate	8.10%
Closing Date*	01/01/05
Start of Adjuster Period*	02/01/05
Initial NEA Bid Price Amount	-\$12,568,453.00
Bid Date On Peak Energy Cost*	\$273,886,759.99
Calculation Date On-Peak Energy Cost *	<u>\$293,296,029.90</u>
Adjusted Bid Price Amount	<u>-\$31,975,722.91</u>

\* On Calculation Date insert  
actual Closing Date and  
Forward NYMEX Gas Prices to  
calculate Adjusted Bid Price  
Amount

		On-Peak MWhs BECo 1	BECo 2	CECo	Total	Bid Date Gas Price (\$/MMBtu) 12/1/2003	Bid Date On-Peak Energy Price (\$/MWh) 12/1/2003	Bid Date On-Peak Energy Cost* (\$) 12/1/2003	Forward NYMEX Gas Price * 06/18/04 (\$/MMBtu)	Calculation Date On-Peak Energy Price* (\$/MWh)	Calculation Date On-Peak Energy Cost* (\$)
4/1/2004 8.10%		3,832,068.3881	1,552,196.3657	1,323,167.7718	6,707,432.5256		\$40.83	273,886,759.9900		43.7270	293,296,029.9000
Example									Example		
4/30/04	0.9938	0.0000	0.0000	0.0000	0.0000	4.743	\$40.7898	0.0000	0.000	0.0000	0.0000
5/31/04	0.9873	0.0000	0.0000	0.0000	0.0000	4.693	\$40.3598	0.0000	0.000	0.0000	0.0000
6/30/04	0.9810	0.0000	0.0000	0.0000	0.0000	4.711	\$40.5146	0.0000	0.000	0.0000	0.0000
7/31/04	0.9745	0.0000	0.0000	0.0000	0.0000	4.729	\$40.6694	0.0000	0.000	0.0000	0.0000
8/31/04	0.9681	0.0000	0.0000	0.0000	0.0000	4.746	\$40.8156	0.0000	0.000	0.0000	0.0000
9/30/04	0.9619	0.0000	0.0000	0.0000	0.0000	4.736	\$40.7296	0.0000	0.000	0.0000	0.0000
10/31/04	0.9556	0.0000	0.0000	0.0000	0.0000	4.738	\$40.7468	0.0000	0.000	0.0000	0.0000
11/30/04	0.9495	0.0000	0.0000	0.0000	0.0000	4.890	\$42.0540	0.0000	0.000	0.0000	0.0000
12/31/04	0.9432	0.0000	0.0000	0.0000	0.0000	5.055	\$43.4730	0.0000	0.000	0.0000	0.0000
1/31/05	0.9370	0.0000	0.0000	0.0000	0.0000	5.170	\$44.4820	0.0000	0.000	0.0000	0.0000
2/28/05	0.9314	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.125	\$44.0750	3,973,971.8386	7.065	60.7590	5,478,265.5687
3/31/05	0.9253	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.980	\$42.8280	4,200,810.1196	6.900	59.3400	5,820,399.5633
4/30/05	0.9194	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.605	\$39.6030	3,673,688.5267	6.128	52.7008	4,888,678.2393
5/31/05	0.9133	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.533	\$38.9838	2,629,371.8107	5.943	51.1098	3,447,243.9160
6/30/05	0.9075	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.550	\$39.1300	3,007,548.3559	5.943	51.1098	3,928,320.8526
7/31/05	0.9015	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.567	\$39.2762	3,329,006.8562	5.973	51.3678	4,353,877.3707
8/31/05	0.8955	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.589	\$39.4654	3,329,997.3847	5.978	51.4108	4,337,922.0671
9/30/05	0.8898	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.577	\$39.3622	3,253,567.1792	5.948	51.1528	4,228,144.5449
10/31/05	0.8840	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.602	\$39.5772	3,736,152.6064	5.961	51.2646	4,839,462.3396
11/30/05	0.8783	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.772	\$41.0392	3,233,934.7269	6.126	52.6836	4,151,526.4328
12/31/05	0.8725	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.952	\$42.5872	3,947,485.9412	6.291	54.1026	5,014,869.5590
1/31/06	0.8668	51,990.4402	31,595.1950	17,537.2157	101,122.8509	5.053	\$43.4558	4,394,374.3841	6.406	55.0916	5,571,019.6526
2/28/06	0.8616	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.018	\$43.1548	3,891,003.0607	6.381	54.7046	4,932,377.5347
3/31/06	0.8559	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.873	\$41.9078	4,110,551.7496	6.171	53.0706	5,205,461.6964
4/30/06	0.8505	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.573	\$39.3278	3,648,160.1808	5.511	47.3946	4,396,459.8199
5/31/06	0.8449	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.513	\$38.8118	2,617,770.7880	5.346	45.9756	3,100,953.3863
6/30/06	0.8395	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.513	\$38.8118	2,983,091.3693	5.351	46.0186	3,537,009.0665
7/31/06	0.8339	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.528	\$38.9408	3,300,578.7267	5.371	46.1906	3,915,063.6796
8/31/06	0.8284	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.544	\$39.0784	3,297,343.2373	5.389	46.3454	3,910,515.5603
9/30/06	0.8232	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.544	\$39.0784	3,230,109.0807	5.359	46.0874	3,809,453.0289
10/31/06	0.8177	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.589	\$39.4654	3,725,598.5030	5.371	46.1906	4,360,468.4157
11/30/06	0.8125	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.770	\$41.0220	3,232,579.3477	5.541	47.6526	3,755,078.0222
12/31/06	0.8072	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.940	\$42.4840	3,937,920.1433	5.706	49.0716	4,548,536.9105
1/31/07	0.8018	51,990.4402	31,595.1950	17,537.2157	101,122.8509	5.049	\$43.4214	4,390,895.7581	5.806	49.9316	5,049,225.7420
2/28/07	0.7971	46,300.7725	28,245.0787	15,618.0022	90,163.8534	5.009	\$43.0774	3,884,024.3785	5.756	49.5016	4,463,255.0055
3/31/07	0.7918	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.869	\$41.8734	4,107,177.6049	5.556	47.7816	4,686,686.9527
4/30/07	0.7867	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.614	\$39.6804	3,680,868.3740	5.081	43.6966	4,053,422.6720
5/31/07	0.7816	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.579	\$39.3794	2,656,054.1631	4.921	42.3206	2,854,431.6525
6/30/07	0.7766	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.588	\$39.4568	3,032,666.3422	4.923	42.3378	3,254,101.2211
7/31/07	0.7715	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.608	\$39.6288	3,358,892.8385	4.933	42.4238	3,595,793.9176
8/31/07	0.7664	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.623	\$39.7578	3,354,669.4072	4.946	42.5356	3,589,053.6205
9/30/07	0.7615	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.608	\$39.6288	3,275,603.5748	4.909	42.2174	3,489,569.8673
10/31/07	0.7565	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.598	\$39.5428	3,732,905.1900	4.922	42.3292	3,995,945.9211
11/30/07	0.7516	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.728	\$40.6608	3,204,116.3849	5.086	43.7396	3,446,729.2584
12/31/07	0.7467	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.858	\$41.7788	3,872,553.8575	5.251	45.1586	4,185,833.7394
1/31/08	0.7418	51,990.4402	31,595.1950	17,537.2157	101,122.8509	4.953	\$42.5958	4,307,408.7324	5.351	46.0186	4,653,532.0264
2/29/08	0.7372	47,954.3715	29,253.8315	16,175.7880	93,383.9910	4.893	\$42.0798	3,929,579.6645	5.316	45.7176	4,269,291.9469
3/31/08	0.7323	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.803	\$41.3058	4,051,504.2178	5.136	44.1696	4,332,401.7619
4/30/08	0.7276	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.613	\$39.6718	3,680,070.6132	4.726	40.6436	3,770,217.5847
5/31/08	0.7228	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.613	\$39.6718	2,675,775.9018	4.673	40.1878	2,710,578.9701
6/30/08	0.7182	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.613	\$39.6718	3,049,191.3331	4.673	40.1878	3,088,851.3115
7/31/08	0.7135	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.643	\$39.9298	3,384,405.2624	4.698	40.4028	3,424,496.2142
8/31/08	0.7088	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.673	\$40.1878	3,390,951.7931	4.723	40.6178	3,427,234.1791
9/30/08	0.7043	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.683	\$40.2738	3,328,917.4350	4.703	40.4458	3,343,134.4644
10/31/08	0.6996	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.673	\$40.1878	3,793,794.2481	4.708	40.4888	3,822,209.1419
11/30/08	0.6952	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.773	\$41.0478	3,234,612.4165	4.853	41.7358	3,288,827.5838
12/31/08	0.6906	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.873	\$41.9078	3,884,511.1049	5.008	43.0688	3,992,126.3315
1/31/09	0.6860	51,990.4402	31,595.1950	17,537.2157	101,122.8509	4.943	\$42.5098	4,298,712.1672	5.113	43.9718	4,446,553.7752
2/28/09	0.6819	46,300.7725	28,245.0787	15,618.0022	90,163.8534	4.893	\$42.0798	3,794,076.9183	5.073	43.6278	3,933,650.5634
3/31/09	0.6774	50,186.2826	30,970.6616	16,928.6568	98,085.6010	4.833	\$41.5638	4,076,810.3028	4.923	42.3378	4,152,728.5580
4/30/09	0.6731	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.678	\$40.2308	3,731,925.0658	4.583	39.4138	3,656,137.7889
5/31/09	0.6687	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.678	\$40.2308	2,713,479.2258	4.538	39.0268	2,632,272.0664
6/30/09	0.6644	41,733.3989	21,049.6621	14,077.3621	76,860.4231	4.678	\$40.2308	3,092,156.3097	4.548	39.1128	3,006,226.3566
7/31/09	0.6600	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.678	\$40.2308	3,409,917.6863	4.558	39.1988	3,322,446.5186
8/31/09	0.6557	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.683	\$40.2738	3,398,208.2703	4.568	39.2848	3,314,758.7826
9/30/09	0.6515	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.683	\$40.2738	3,328,917.4350	4.568	39.2848	3,247,169.5160
10/31/09	0.6472	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.683	\$40.2738	3,801,912.7892	4.578	39.3708	3,716,668.1078
11/30/09	0.6431	37,869.7542	26,629.1520	14,302.2090	78,801.1152	4.758	\$40.9188	3,224,447.0726	4.688	40.3168	3,177,

		On-Peak MWhs				Bid Date			Forward NYMEX			Calculation Date		
		BECo 1	BECo 2	CECo	Total	Bid Date	Gas Price	On-Peak	Gas Price *	On-Peak	On-Peak	On-Peak	On-Peak	On-Peak
							(\$/MMBtu)	Energy Price		(\$/MMBtu)	Energy Cost*	Energy Price*	Energy Cost*	Energy Cost*
							(\$/MMBtu)	(\$/MWh)		(\$/MMBtu)	(\$)	(\$/MWh)	(\$)	(\$)
						12/1/2003	12/1/2003	12/1/2003		12/1/2003	12/1/2003			
												Example	Example	Example
9/30/10	0.6027	43,080.5019	23,624.9558	15,951.6900	82,657.1477	4.683	\$40.2738	3,328,917.4350	4.568	39.2848	3,247,169.5160			
10/31/10	0.5987	45,304.2284	32,341.4956	16,755.9165	94,401.6405	4.683	\$40.2738	3,801,912.7892	4.578	39.3708	3,716,868.1078			
11/30/10	0.5949	37,869.7542	26,628.1520	14,302.2090	78,801.1152	4.758	\$40.9188	3,224,447.0728	4.688	40.3168	3,177,008.8013			
12/31/10	0.5910	47,527.4329	29,132.6489	16,031.7585	92,691.8403	4.893	\$42.0798	3,900,454.1015	4.808	41.3488	3,832,696.3662			
1/31/11	0.5871	51,990.4402	31,595.1950	17,537.2157	101,122.8509	4.943	\$42.5098	4,298,712.1672	4.903	42.1658	4,263,925.9065			
2/28/11	0.5836	46,300.7725	28,245.0787	15,618.0022	90,163.8534	4.893	\$42.0798	3,794,076.9183	4.863	41.8218	3,770,814.6441			
3/31/11	0.5797	50,186.2826	30,970.6816	16,928.6568	98,085.6010	4.833	\$41.5638	4,076,810.3028	4.783	41.1338	4,034,633.4944			
4/30/11	0.5760	47,049.4440	29,842.9036	15,870.5372	92,762.8848	4.678	\$40.2308	3,731,925.0658	4.433	38.1238	3,536,473.6675			
5/31/11	0.5722	33,795.2519	22,252.8709	11,399.6840	67,447.8068	4.678	\$40.2308	2,713,479.2258	4.393	37.7798	2,548,164.6513			
6/30/11	0.5686	41,733.3989	21,049.8621	14,077.3621	76,860.4231	4.678	\$40.2308	3,092,158.3097	4.393	37.7798	2,903,771.4126			
7/31/11	0.5648	45,954.4043	23,303.2777	15,501.2014	84,758.8834	4.678	\$40.2308	3,409,917.6863	4.558	39.1988	3,322,446.5186			
8/31/11	0.5611	45,597.7310	23,399.0905	15,380.8203	84,377.6418	4.683	\$40.2738	3,398,208.2703	4.568	39.2848	3,314,758.7626			
9/30/11	0.5575	43,080.5019	11,024.9771	15,951.6900	70,057.1690	4.683	\$40.2738	2,821,468.4129	4.568	39.2848	2,752,181.8727			
10/31/11	0.5538	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528			
11/30/11	0.5503	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059			
12/31/11	0.5467	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934			
1/31/12	0.5431	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331			
2/29/12	0.5397	47,954.3715	0.0000	16,175.7880	64,130.1595	4.893	\$42.0798	2,698,584.2857	4.863	41.8218	2,682,038.7046			
3/31/12	0.5362	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943			
4/30/12	0.5327	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793			
5/31/12	0.5292	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393			
6/30/12	0.5259	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884			
7/31/12	0.5224	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967			
8/31/12	0.5189	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921			
9/30/12	0.5156	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524			
10/31/12	0.5122	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528			
11/30/12	0.5090	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059			
12/31/12	0.5056	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934			
1/31/13	0.5023	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331			
2/28/13	0.4993	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117			
3/31/13	0.4960	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943			
4/30/13	0.4928	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793			
5/31/13	0.4896	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393			
6/30/13	0.4865	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884			
7/31/13	0.4832	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967			
8/31/13	0.4801	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921			
9/30/13	0.4770	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524			
10/31/13	0.4739	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528			
11/30/13	0.4708	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059			
12/31/13	0.4677	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934			
1/31/14	0.4646	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331			
2/28/14	0.4619	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117			
3/31/14	0.4588	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943			
4/30/14	0.4559	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793			
5/31/14	0.4529	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393			
6/30/14	0.4500	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884			
7/31/14	0.4470	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967			
8/31/14	0.4441	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921			
9/30/14	0.4413	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524			
10/31/14	0.4383	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528			
11/30/14	0.4356	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059			
12/31/14	0.4327	47,527.4329	0.0000	16,031.7585	63,559.1914	4.893	\$42.0798	2,674,558.0623	4.808	41.3488	2,628,096.2934			
1/31/15	0.4298	51,990.4402	0.0000	17,537.2157	69,527.6559	4.943	\$42.5098	2,955,606.7468	4.903	42.1658	2,931,689.2331			
2/28/15	0.4273	46,300.7725	0.0000	15,618.0022	61,918.7747	4.893	\$42.0798	2,605,529.6556	4.863	41.8218	2,589,554.6117			
3/31/15	0.4244	50,186.2826	0.0000	16,928.6568	67,114.9394	4.833	\$41.5638	2,789,551.9182	4.783	41.1338	2,760,692.4943			
4/30/15	0.4217	47,049.4440	0.0000	15,870.5372	62,919.9812	4.678	\$40.2308	2,531,321.1797	4.433	38.1238	2,398,748.7793			
5/31/15	0.4190	33,795.2519	0.0000	11,399.6840	45,194.9359	4.678	\$40.2308	1,818,228.4272	4.393	37.7798	1,707,455.6393			
6/30/15	0.4163	41,733.3989	0.0000	14,077.3621	55,810.7610	4.678	\$40.2308	2,245,311.5636	4.393	37.7798	2,108,519.3884			
7/31/15	0.4135	45,954.4043	0.0000	15,501.2014	61,455.6057	4.678	\$40.2308	2,472,408.1818	4.558	39.1988	2,408,985.9967			
8/31/15	0.4108	45,597.7310	0.0000	15,380.8203	60,978.5513	4.683	\$40.2738	2,455,837.9793	4.568	39.2848	2,395,530.1921			
9/30/15	0.4082	43,080.5019	0.0000	15,951.6900	59,032.1919	4.683	\$40.2738	2,377,450.6901	4.568	39.2848	2,319,067.8524			
10/31/15	0.4055	45,304.2284	0.0000	16,755.9165	62,060.1449	4.683	\$40.2738	2,499,397.8637	4.578	39.3708	2,443,357.5528			
11/30/15	0.4029	37,869.7542	0.0000	14,302.2090	52,171.9632	4.758	\$40.9188	2,134,814.1278	4.688	40.3168	2,103,406.6059			
12/31/15	0.4003	47,527.4329	0.0000	16,031.7585</										

## Schedule 5.3

## Interim Period Delivery Points

Interim Period Delivery Point	Medway 115	Bellingham Bus 132	Sandwich 115	Sandwich 115
Power Purchase Agreement	BECo A	BECo B	CECo 1	CECo 2

## Interim Period On-Peak Energy Price (\$/MWh)

Month	Medway 115	Bellingham Bus 132	Sandwich 115
04/01/04	45.1646	43.9375	43.7705
05/01/04	48.8666	47.5389	47.3583
06/01/04	50.8410	49.4597	49.2718
07/01/04	58.7387	57.1427	56.9256
08/01/04	58.7387	57.1427	56.9256
09/01/04	48.8666	47.5389	47.3583
10/01/04	47.8794	46.5785	46.4016
11/01/04	47.8794	46.5785	46.4016
12/01/04	49.8538	48.4993	48.3150
01/01/05	57.4232	55.8630	55.6508
02/01/05	55.5739	54.0639	53.8585
03/01/05	48.4982	47.1805	47.0012

## Interim Period On-Peak Delivery Quantities (MWh)

Interim Period On-Peak Delivery Quantities (MWh)					
Month	BECo A	BECo B	CECo 1	CECo 2	Total
April-04	50,549.2064	32,061.8496	9,266.8928	7,784.1984	99,662.1472
May-04	19,929.1200	13,124.0640	3,653.4720	3,068.9280	39,775.5840
June-04	46,327.9168	23,363.4368	8,493.0208	7,134.1248	85,318.4992
July-04	45,168.8864	23,363.4368	8,280.5536	6,955.6608	83,768.5376
August-04	45,486.1792	23,363.4368	8,338.7040	7,004.5184	84,192.8384
September-04	40,388.3088	22,301.4624	8,176.6944	6,868.4112	77,734.8768
October-04	38,288.8128	27,726.0816	7,794.8640	6,547.6992	80,357.4576
November-04	43,433.1744	30,172.5984	8,793.1536	7,388.2208	89,785.1472
December-04	53,802.4832	33,046.1792	9,863.2832	8,285.1520	104,997.0976
January-05	50,412.0288	30,635.9760	9,241.7472	7,763.0448	98,052.7968
February-05	47,338.3680	28,878.0480	8,678.2720	7,289.7280	92,184.4160
March-05	53,297.1824	32,890.4416	9,770.6576	8,207.3568	104,165.6384

## Interim Period Off-Peak Delivery Quantities (MWh)

Interim Period Off-Peak Delivery Quantities (MWh)					
Month	BECo A	BECo B	CECo 1	CECo 2	Total
April-04	52,846.8976	33,519.2064	9,688.1152	8,138.0256	104,192.2448
May-04	26,406.0840	17,389.3848	4,840.8504	4,066.3296	52,702.6488
June-04	48,433.7312	24,425.4112	8,879.0672	7,458.4032	89,196.6128
July-04	50,301.7144	26,018.3728	9,221.5256	7,746.0768	93,287.6896
August-04	50,655.0632	26,018.3728	9,286.2840	7,800.4864	93,760.2064
September-04	46,158.0672	25,487.3856	9,344.7936	7,849.6128	88,839.8592
October-04	46,493.5584	33,667.3848	9,465.1920	7,950.7776	97,576.9128
November-04	49,637.9136	34,482.9696	10,049.3184	8,441.3952	102,611.5968
December-04	54,972.1024	33,764.5744	10,077.7024	8,465.2640	107,279.6432
January-05	61,214.6064	37,200.8280	11,222.1216	9,426.5544	119,064.1104
February-05	52,072.2048	31,765.8528	9,546.0992	8,018.7008	101,402.8576
March-05	54,455.8168	33,605.4512	9,983.0632	8,385.7776	106,430.1088

## Interim Period Delivery Rate (MW)

Interim Period Delivery Schedule MWh/hr					
Month	BECo A	BECo B	CECo 1	CECo 2	Total
April-04	143.6057	91.0848	26.3264	22.1142	283.1311
May-04	62.2785	41.0127	11.4171	9.5904	124.2987
June-04	131.6134	66.3734	24.1279	20.2674	242.3821
July-04	128.3207	66.3734	23.5243	19.7604	237.9788
August-04	129.2221	66.3734	23.6895	19.8992	239.1842
September-04	120.2033	66.3734	24.3354	20.4417	231.3538
October-04	113.9548	82.5181	23.1990	19.4872	239.1591
November-04	129.2654	89.7994	26.1701	21.9828	267.2177
December-04	146.2024	89.7994	26.8024	22.5140	285.3182
January-05	150.0358	91.1785	27.5052	23.1043	291.8238
February-05	147.9324	90.2439	27.1196	22.7804	288.0763
March-05	144.8293	89.3762	26.5507	22.3026	283.0588

## Interim Period Support Payment Rate (\$/MWh)

Interim Period Support Payment Rate (\$/MWh)				
Month	BECo A	BECo B	CECo 1	CECo 2
April-04	28.7245	86.9153	54.3392	77.8786
May-04	64.0981	186.8029	121.2575	173.7849
June-04	31.3418	119.2747	59.2905	84.9750
July-04	31.1091	115.4271	58.8502	84.3438
August-04	30.8920	115.4271	58.4398	83.7555
September-04	34.3169	119.2747	58.7850	84.2504
October-04	35.0309	92.8438	59.6754	85.5262
November-04	31.9111	88.1595	54.6637	78.3441
December-04	27.3042	85.3156	51.6524	74.0280
January-05	19.2606	70.4632	31.7633	59.9200
February-05	21.6275	78.8208	35.6665	67.2832
March-05	19.9530	71.8841	32.9052	62.0739

Interim Period Delivery Schedule (Total MWh)

Interim Period Delivery Schedule (Total MWh)					
Month	BECo A	BECo B	CECo 1	CECo 2	Total
April-04	103,396.1040	65,581.0560	18,955.0080	15,922.2240	203,854.3920
May-04	46,335.2040	30,513.4488	8,494.3224	7,135.2576	92,478.2328
June-04	94,761.6480	47,788.8480	17,372.0880	14,592.5280	174,515.1120
July-04	95,470.6008	49,381.8096	17,502.0792	14,701.7376	177,056.2272
August-04	96,141.2424	49,381.8096	17,624.9880	14,805.0048	177,953.0448
September-04	86,546.3760	47,788.8480	17,521.4880	14,718.0240	166,574.7360
October-04	84,782.3712	61,393.4664	17,260.0560	14,498.4768	177,934.3704
November-04	93,071.0880	64,655.5680	18,842.4720	15,827.6160	192,396.7440
December-04	108,774.5856	66,810.7536	19,940.9856	16,750.4160	212,276.7408
January-05	111,626.6352	67,836.8040	20,463.8688	17,189.5992	217,116.9072
February-05	99,410.5728	60,643.9008	18,224.3712	15,308.4288	193,587.2736
March-05	107,752.9992	66,495.8928	19,753.7208	16,593.1344	210,595.7472

Interim Period Delivery Points

Interim Period Delivery Point	Medway 115	Bellingham Bus 132	Sandwich 115	Sandwich 115
Power Purchase Agreement	BECo A	BECo B	CECo 1	CECo 2
On-Peak Basis Adjustment from	-1.28%	-3.96%	-4.33%	-4.33%

NSTAR Monthly Support Payment

NSTAR Fixed Monthly Payment (\$/month)

Year	BECo A	BECo B	CECo 1	CECo 2	Total
2004	2,970,000.00	5,700,000.00	1,030,000.00	1,240,000.00	10,940,000.00
2005	2,150,000.00	4,780,000.00	650,000.00	1,030,000.00	8,610,000.00
2006	2,280,000.00	5,360,000.00	620,000.00	1,180,000.00	9,440,000.00
2007	2,420,000.00	5,680,000.00	430,000.00	1,330,000.00	9,860,000.00
2008	2,100,000.00	6,170,000.00	390,000.00	1,430,000.00	10,090,000.00
2009	1,780,000.00	6,590,000.00	340,000.00	1,540,000.00	10,250,000.00
2010	1,470,000.00	7,120,000.00	290,000.00	1,660,000.00	10,540,000.00
2011	1,140,000.00	3,800,000.00	230,000.00	1,790,000.00	6,960,000.00
2012	600,000.00	0.00	140,000.00	1,900,000.00	2,640,000.00
2013	180,000.00	0.00	60,000.00	2,040,000.00	2,280,000.00
2014	210,000.00	0.00	70,000.00	2,270,000.00	2,550,000.00
2015	210,000.00	0.00	70,000.00	2,270,000.00	2,550,000.00
2016	(390,000.00)	0.00	(30,000.00)	1,630,000.00	1,210,000.00

NSTAR Fixed Payment (\$/year)

Year	BECo A	BECo B	CECo 1	CECo 2	Total
2004	26,730,000.00	51,300,000.00	9,270,000.00	11,160,000.00	98,460,000.00
2005	25,800,000.00	57,360,000.00	7,800,000.00	12,360,000.00	103,320,000.00
2006	27,360,000.00	64,320,000.00	7,440,000.00	14,160,000.00	113,280,000.00
2007	29,040,000.00	68,160,000.00	5,160,000.00	15,960,000.00	118,320,000.00
2008	25,200,000.00	74,040,000.00	4,680,000.00	17,160,000.00	121,080,000.00
2009	21,360,000.00	79,080,000.00	4,080,000.00	18,480,000.00	123,000,000.00
2010	17,640,000.00	85,440,000.00	3,480,000.00	19,920,000.00	126,480,000.00
2011	13,680,000.00	32,300,000.00	2,760,000.00	21,480,000.00	70,220,000.00
2012	7,200,000.00	0.00	1,680,000.00	22,800,000.00	31,680,000.00
2013	2,160,000.00	0.00	720,000.00	24,480,000.00	27,360,000.00
2014	2,520,000.00	0.00	840,000.00	27,240,000.00	30,600,000.00
2015	2,520,000.00	0.00	840,000.00	27,240,000.00	30,600,000.00
2016	(3,315,000.00)	0.00	(255,000.00)	13,855,000.00	10,285,000.00
Total	197,895,000.00	512,000,000.00	48,495,000.00	246,295,000.00	1,004,685,000.00

Information Request DTE-1-6

Please provide electronic copies of Exhs. NSTAR-BEC-GOL-2, NSTAR-BEC-GOL-3, and NSTAR-BEC-GOL-4 in Excel format with the formulas contained in the cells. Provide electronic copies of Exhs. NSTAR-COM-GOL-2, NSTAR-COM-GOL-3, and NSTAR-COM-GOL-4 in Excel format with the formulas contained in the cells. Please provide electronic copies of any supporting workpapers and data for the above exhibits in Excel format with the formulas contained in the cells.

Response

Please refer to the attached **CONFIDENTIAL CD-ROM** filed with the response to Information Request AG-2-2 .



Information Request DTE-1-7

Have any disputes emerged regarding the choice of the 04-85 NEA contract auction winner?

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Response

No disputes emerged regarding the choice of the NEA contract auction winner.

Information Request DTE-1-9

Refer to Exh. NSTAR-RBH at 18-19, lines 21-1, respectively. Please provide the analysis in which "CEA separately valued each PPA Entitlement to determine the total cost for the energy and capacity over the term of the agreement" in both hard copy and in a working, electronic Excel file.

Response

**CONFIDENTIAL ATTACHMENT**

Please refer to Attachment DTE-1-9 (**CONFIDENTIAL**) for the CEA analysis that separately valued each PPA Entitlement.

This information was provided in D.T.E. 04-61, Exhibit DTE-1-4, Attachment DTE-1-4 Supplemental and in D.T.E. 04-78, Exhibit DTE-1-5, Attachment DTE-1-5.

Information Request DTE-1-11

Refer to Exh. NSTAR-RBH at 22-23, lines 20 - 1, respectively. Please explain in detail why Bidder A was not able to provide "a final binding proposal."

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Response

**CONFIDENTIAL ATTACHMENT**

As indicated in response to Exhibit DTE 1-7 in D.T.E. 04-68, and as documented in Attachment DTE-1-11 (**CONFIDENTIAL**), "Bidder A identified general concerns with respect to accounting treatment, tax issues and credit issues associated with the transaction. In particular, Bidder A noted that the accounting implications associated with the use of mark-to-market, hedge or accrual-based accounting methods were complex and the consequences for its overall earnings volatility were uncertain. Bidder A noted that it was addressing cash flow hedge accounting issues and that obtaining such accounting treatment was a 'necessary hurdle' to be able to offer a more competitive bid to the Company." As discussed in Exhibit NSTAR-RBH at 21 and 22, Bidder A was not able to resolve those issues and withdrew from the auction process. .

Information Request DTE-1-14

Refer to Exh. NSTAR-RBH at 28, lines 18-20. Please provide the "series of analysis under different power and fuel price scenarios" that CEA performed, which shows that "the proposed transaction continued to result in a reduction in the above-market costs of these contracts."

Response

**CONFIDENTIAL ATTACHMENTS**

Please refer to Attachment DTE-1-14(a) **CONFIDENTIAL CD-ROM** for the calculation of savings under a 10 percent decrease in energy and fuel prices, and Attachment DTE-1-14(b) **CONFIDENTIAL CD-ROM** for the calculation of an increase of 10 percent in energy and fuel prices. Please refer to the table below for a comparison of the recalculated savings amounts under these scenarios with the original filing.

	Total PV of Above Market Amount	Reduction in Above Market
Original Filing	\$(874,801)	19.22%
10 % Decrease	\$(941,606)	24.95%
10 % Increase	\$(807,996)	12.54%

Information Request DTE-1-16

Refer to Exh. NSTAR-RBH-5. Please provide a working electronic copy in Excel format with the formulas contained in the cells as well as all supporting documentation.

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Response

Please refer to the response to Information Request AG-1-3, Attachment AG-1-3 **CONFIDENTIAL** for a working electronic copy in Excel format of Exhibit NSTAR-RBH-5.

Information Request DTE-1-17

Refer to Exh. NSTAR-RBH-6, pages 1-7. Please provide a working electronic copy in Excel format with the formulas contained in the cells as well as all supporting documentation.

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Response

Please refer to Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**) for a working electronic copy in Excel format of Exhibit NSTAR-RBH-6.